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ABSTRACT

Proceedings are presented of hearings before the U.S. Senate Subcommittee on Employment, Poverty, and Migratory Labor of the Committee on Labor and Human Resources on the Youth Employment Act, 1980. The act is designed to provide an effective and efficient youth employment program designed to improve career opportunities for youth between the ages of eighteen and twenty-four, particularly economically disadvantaged youth. Among those testifying at the hearing were five unemployed young persons, representatives of the United Auto Workers, AFL-CIO, and the National Commission for Employment Policy. (LRA)

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YOUTH EMPLOYMENT ACT, 1980

HEARING

BEFORE THE

SUBCOMMITTEE ON EMPLOYMENT, POVERTY, AND MIGRATORY LABOR

OF THE

COMMITTEE ON LABOR AND HUMAN RESOURCES UNITED STATES SENATE

NINETY-SIXTH CONGRESS

SECOND SESSION

ON

S. 2021

TO PROVIDE AN EFFECTIVE AND EFFICIENT YOUTH EMPLOYMENT PROGRAM DESIGNED TO IMPROVE CAREER OPPORTUNITIES FOR YOUTH BETWEEN THE AGES OF EIGHTEEN AND TWENTY-FOUR, PARTICULARLY ECONOMICALLY DISADVANTAGED YOUTH, AND FOR OTHER PURPOSES

FEBRUARY 15, 1980

CLEVELAND, OHIO

U S DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

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YOUTH EMPLOYMENT ACT, 1980

FRIDAY, FEBRUARY 15, 1980

U.S. SENATE,
SUBCOMMITTEE ON EMPLOYMENT, POVERTY,
AND MIGRATORY LABOR,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
Cleveland, Ohio.

The subcommittee met pursuant to notice, at 9:30 a.m., at the Cleveland Public Library, Senator Howard M. Metzenbaum presiding pro tempore.

Present: Senator Metzenbaum, Representative Mary Rose Oakar, and Ms. Jackie Jenkins, representing Representative Louis Stokes.

OPENING STATEMENT OF SENATOR METZENBAUM

Senator METZENBAUM. The hearing will come to order.

This is a hearing of the U.S. Senate Labor and Human Resources Committee, of its Subcommittee on Employment, Poverty, and Migratory Labor.

The issue is youth employment in the field of energy, S. 2021, which I have introduced along with five other cosponsors in the Senate.

We are happy to welcome to this hearing the distinguished Cleveland Congressperson, Mary Rose Oakar, on my right. I am very happy that she is joining us this morning.

We are also happy to have Jackie Jenkins, representing Congressman Lou Stokes. The Congressman will be along shortly but in his absence we are very happy to have with us, Jackie.

Ms. JENKINS. Thank you.

Senator METZENBAUM. As this meeting is convened, the Nation and the world are torn apart about developments in Afghanistan, concerns about the Moscow Olympics, the situation in Iran with our hope that the hostages will be freed, and our concern about what is happening in North Yemen and South Yemen, vis-a-vis, the safety and security of Saudi Arabia. All these issues have impacted upon the American people and our American concerns; and it is understandable that we are quite distressed about it.

Yet, as we meet here this morning, our Nation sits on a time-bomb that has not really been given the same kind of attention and concern. Also of major importance are the problems concerning youth unemployment in this country.

When you stop to realize that a large part of an entire generation of Americans is growing up without ever knowing what it is to be employed and without ever having had an opportunity to have a job. I remember when I was a businessman and after the incidents in Hough and Watts and the various other parts of the Nation

which were being burned down, that I attended a major meeting in Washington, and out of that grew the Urban Coalition. At that meeting were the Nation's most important business leaders, labor union leaders, and political leaders. They had come together because there was a concern about what was happening in our cities.

And yet the fact is, as we meet here this morning, that very same possibility exists. We are now concerned about thousands of young people who either can't find a job or they have to content themselves with menial jobs, dead-end jobs, street-cleaning jobs, all with very little hope for advancement. I believe that this timebomb of frustration and despair is a major concern to the American people, and for this reason I have introduced legislation and I am conducting these hearings today.

I welcome the fact that the President of the United States has indicated that the administration will support a major initiative on youth employment. I am looking forward to that legislative proposal.

On the other hand, I must note, with some concern, the fact that the initiative is anything more than de minimis, just a drop in the bucket; that it won't solve the problem. It will only replace some of the existing programs.

But we have got to do it. There are 3 million young Americans who are out of work. When you talk about who is out of work, you are talking about 14 percent of young people across the Nation who are unemployed. You are talking about 35 percent of young blacks who are unemployed. And you are talking about the fact that unemployment rates in some areas run up to 60 and 70 percent in the urban communities.

What are we going to do about it? It is not enough to make speeches and talk about it. That is the reason that I have drafted legislation. The premise of my legislation is that the future is going to be in the field of energy.

The 1960's marked the rise of the aerospace industry. In the 1970's, there were the technological advances that brought us into the electronic age.

Now, the 1980's, we have a chance to do something in solving the problems of conserving energy and developing alternative energy resources. We could help solve two problems at the same time, that is, address ourselves to the unemployment of the young people in this country and train them for future jobs. At the same time we help solve the energy problems of this country, doing it not with make-work jobs, but by teaching young people so that they have jobs that truly have marketable skills and jobs that would directly serve our Nation's pressing needs of reducing and conserving energy.

Now, as I see the situation, if we can employ our young people in large-scale, multiyear projects, in such areas as the weatherization, weatherizing homes, alternative energy development, mass transportation, hydroelectric dam restoration, and similar energy programs, we will have made a big step foward.

But if we don't, all of those jobs are going to go away; the young people are going to be standing by looking at them and saying, "Why couldn't we have had a part of the action?"

Look at the Cleveland area, for instance. We can envision projects that would weatherize thousands of our older homes; at the same time, we could conserve energy, provide relief for homeowners from staggering utility bills, and train young people for meaningful jobs in the private sector.

Another area is solar energy. We can begin by installing solar collectors on every municipal, State, and Federal building. The results would be manyfold:

First, there would be obvious savings in energy and the ultimate savings to taxpayers.

Second, industry and homeowners would be motivated to pull together for the same program, and as a result, the solar energy program would receive a major impetus.

Finally, it would provide immediate employment of young people and create a reservoir of trained professional workers capable of moving into the private industry created in the energy field.

According to the Congressional Joint Economic Committee, aggressive development by this Nation of renewable energy sources could create as many as 3 million permanent jobs by the end of the 1980's.

Today, we will hear from a wide range of people involved in and affected by the problems of youth unemployment. They will include professionals and paraprofessionals who are all familiar with the problem.

They will include union officials, who support this concept and have expressed their willingness to work with government and industry to give our youth a chance. We will hear from others about the virtually limitless opportunities that the energy field holds for the future.

But in my mind, the most important people we will hear from today are members of our first panel, a group of young Clevelanders, who know the problem firsthand. A group of young people who want a chance to work and some hope for the future; and we are very pleased that they are with us. They don't want unemployment compensation; they are not looking for welfare checks and they are not looking for make-work jobs. They want good training and good jobs so they can improve their lives.

We want to hear their stories and we want the public to understand their problems and their fears and their frustrations.

I think their testimony will give us all a better understanding of the urgent need for this type of legislation, and I am very pleased that we will hear from them as part of our first panel.

Prior to doing so, I would like to ask Congressperson Oakar whether or not she cares to make a statement.

Ms. OAKAR. Thank you, Senator. I am going to be very brief.

I first of all want to commend you for the bill, S. 2021, and I hope all of the people who are our mutual constituents will support this bill.

[The text of S. 2021 follows:]

II

96TH CONGRESS
1ST SESSION

S. 2021

To provide an effective and efficient youth employment program designed to improve career opportunities for youth between the ages of eighteen and twenty-four, particularly economically disadvantaged youth, and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 19 (legislative day, NOVEMBER 15), 1979

Mr. METZENBAUM (for himself, Mr. WILLIAMS, Mr. RIEGLE, Mr. RANDOLPH, Mr. TSONGAS, and Mr. LEVIN) introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

---

A BILL

To provide an effective and efficient youth employment program designed to improve career opportunities for youth between the ages of eighteen and twenty-four, particularly economically disadvantaged youth, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Youth Employment Act".

STATEMENT OF PURPOSE

SEC. 2. It is the purpose of this Act to provide for the development, selection, and implementation of multiyear

large-scale projects in areas of energy development and energy conservation under which youth, particularly economically disadvantaged youth, will be provided with career employment opportunities.

DEFINITIONS

SEC. 3. As used in this Act:

(1) The term "area of substantial unemployment" means any area of sufficient size and scope to sustain a public service employment program and which has an average rate of unemployment of at least 6.5 per centum for any three consecutive months within the most recent twelve-month period as determined by the Secretary of Labor.

(2) The term "Commission" means the Youth Employment Commission established under section 6.

(3) The term "Executive Director" means the Executive Director of the Youth Employment Commission.

(4) The term "Federal executive agency" means any department, agency, or independent establishment of the executive branch of the Government, including any wholly owned Government corporation.

(5) The term "lower living standard budget" means that income level (adjusted for regional, metropolitan, urban, and rural differences and family size)

determined annually by the Secretary of Labor based upon the most recent "lower living family budget" issued by the Secretary.

(6) The term "prime sponsor" means any prime sponsor designated under section 101 of the Comprehensive Employment and Training Act.

(7) The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands.

(8) The term "supportive services" means services which are designed to contribute to the employability of participants, enhance their employment opportunities, assist them in retaining employment, and facilitate their movement into permanent employment not subsidized under the Act. Supportive services may include health care, transportation, temporary shelter, child care, and financial counseling and assistance.

(9) The term "underemployed individuals" means—

(A) individuals who are working part time but seeking full-time work; or

(B) individuals who are working full time but receiving wages not in excess of the higher of—

(i) the poverty level determined in accordance with criteria as established by the Director of the Office of Management and Budget; or

(ii) 85 per centum of the lower living standard income level.

(10) The term "unemployed individuals" means—

(A) individuals who are without jobs and who want and are available for work; or

(B)(i) in cases permitted by regulations of the Commission, individuals who are institutionalized in, or have been released from a prison hospital or similar institution, or are clients of a sheltered workshop; or

(ii) individuals who receive, or whose families receive, supplemental security income or money payments pursuant to a State plan approved under title I, IV, X, or XVI of the Social Security Act or would as defined in regulations to be issued by the Secretary of Labor, be eligible for such payments but for the fact that both parents are present in the home (I) who are determined by the Secretary of Labor in consultation with the Secretary of Health, Education, and Welfare, to be available for work and (II) who are either per-

sons without jobs, or persons working in jobs providing insufficient income to support their families without welfare assistance.

The determination of whether individuals are without jobs shall be made in accordance with criteria used by the Bureau of Labor Statistics of the Department of Labor in defining individuals as unemployed, but such criteria shall not be applied differently on account of an individual's previous employment.

(11) The term "unit of general local government" means any city, municipality, county, town, township, parish, village, or other general purpose political subdivision which has the power to levy taxes and spend funds, as well as general corporate and police powers.

(12) The term "youth" means any individual who has attained eighteen years of age but has not attained twenty-five years of age.

AUTHORIZATION OF APPROPRIATIONS; RESERVATIONS

SEC. 4. (a) There are authorized to be appropriated to carry out the provisions of this Act (other than administrative expenses and independent evaluation expenses) $1,000,000,000 for the fiscal year 1981 and for each of the succeeding years ending prior to October 1, 1985.

(b) There are authorized to be appropriated $25,000,000 for administrative expenses including expenses

relating to project selection and expenses relating to the independent evaluation of projects assisted under this Act, $25,000,000 for the fiscal year 1981 and $15,000,000 for the fiscal year 1982 and for each of the succeeding fiscal years ending prior to October 1, 1985.

(c) Notwithstanding any other provision of law not less than 5 per centum nor more than 10 per centum of amounts appropriated for the fiscal year 1981 and for each of the succeeding fiscal years ending prior to October 1, 1985 for—

(1) mass transportation projects supplies assisted by the Department of Transportation,

(2) solar energy development projects supplies assisted by the Department of Energy,

(3) low-head hydroelectric dam projects supplies assisted by the Department of Energy,

(4) weatherization projects supplies assisted by the Department of Energy and by the Community Services Administration, and

(5) alternative fuels projects supplies assisted by the Department of Energy and by the Synthetic Fuels Corporation,

shall be reserved and made available for projects selected by the Commission and carried out under section 13.

(d) Notwithstanding any other provision of law, unless enacted in specific limitation of the provisions of this subsec-

tion, any funds appropriated to carry out this Act, which are not obligated prior to the end of the fiscal year for which such funds were appropriated, shall remain available for obligation during the succeeding fiscal year and any funds obligated in any fiscal year may be expended during a period of two years from the date of obligation.

YOUTH EMPLOYMENT PROGRAM AUTHORIZED

SEC. 5. The Commission is authorized, in accordance with the provisions of this Act, to carry out a youth employment program under which eligible energy conservation and energy development projects are selected and developed by the Commission and carried out under agreement with Federal executive agencies, States, units of general purpose local government and nonprofit corporations in order to provide eligible youth with career employment opportunities.

YOUTH EMPLOYMENT COMMISSION ESTABLISHED

SEC. 6. (a) There is established, as an independent establishment of the executive branch of the United States Government, the Youth Employment Commission.

(b) The Commission shall be composed of nine members appointed by the President, by and with the advice and consent of the Senate. Individuals shall be appointed on the basis of their expertise in the fields of human resource management, energy conservation, energy development and other technical fields related to the functions to be performed by

the Commission. In making appointments the President shall give due consideration to individuals who represent business, labor, community-based organizations, representatives of units of general local government and the general public.

(c) The term of office of each member of the Commission shall be three years, except that—

(1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and

(2) the terms of the members first taking office shall be designated by the President at the time of appointment, three for a term of one year, three for a term of two years, and three for a term of three years.

(d)(1) The President shall select one of the members to serve as Chairman of the Commission, and the member so designated shall serve as Chairman for the duration of the term of his appointment as a member.

(2) Vacancies in the membership of the Commission shall not impair the power of the Commission. Five members shall constitute a quorum for the transaction of business, but any number may conduct hearings.

(e) The members of the Commission shall receive compensation at a rate equal to the daily rate prescribed for GS–18 of the General Schedule under section 5332 of title 5,

United States Code, including traveltime for each day they are engaged in the performance of their duties as members of the Commission and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out functions of the Commission.

(f) No member of the Commission under this Act shall cast a vote on any matter which has a direct bearing on services to be provided by that member (or any organization which that member directly represents) or vote on any matter which would financially benefit the member or the organization which the member represents.

(g)(1) There shall be in the Commission an Executive Director who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following new item:

"(70) Executive Director, Youth Employment Commission.".

FUNCTIONS OF THE COMMISSION

SEC. 7. (a) The Commission shall—

(1) establish procedures for the development and selection of eligible projects designed to provide eligible youth with career employment opportunities;

(2)(A) enter into agreements with Federal executive agencies, States, units of general purpose local government and nonprofit private corporations to carry out projects developed and selected under clause (1) of this subsection; and

(B) enter into arrangements, including, if necessary, transfer payments, to carry out the provisions of section 13; and

(3) monitor and evaluate the projects selected under this Act, with particular attention on efficient operation of such projects and evaluation of the potential for success of opening career opportunities to participating youth.

(b) In carrying out its general functions under subsection (a) of this section, the Commission shall—

(1) develop standards and criteria for the selection of eligible projects;

(2) solicit and otherwise encourage the development of innovative proposals for energy conservation or energy development projects suitable for the purpose of this Act;

(3) establish criteria for the rating of eligible projects based upon the potential for projects to provide career opportunities to eligible participating youth and to rate such projects; and

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(4) identify Federal executive agencies having responsibility for conducting eligible projects and similar energy conservation and energy development projects, and encourage States, units of general local government and nonprofit private organizations to make proposals for eligible projects;

(5) provide for administrative and support services of projects selected through agreements entered into in accordance with section 12, particularly agreements with States, units of general purpose local government, and private nonprofit corporations; and

(6) supervise, monitor, and evaluate projects selected, particularly evaluate the success of such projects in providing career opportunities for participating youth.

(c) The Commission shall prepare an annual report to the President and to the Congress concerning the activities of the Commission, including a description of the progress of projects selected and assisted under this Act and new ideas developed as a result of the conduct of such projects, together with such recommendations, including recommendations for legislation as the Commission deems appropriate.

ADMINISTRATIVE PROVISIONS

SEC. 8. (a) In order to carry out the functions of the Commission under this Act the Executive Director, under the

general direction and supervision of the Commission, is authorized to—

(1) prescribe such regulations as he deems necessary to carry out the provisions of this Act;

(2) appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this Act;

(3) receive money and other property donated, bequeathed or devised, without condition or restriction other than that it will be used for the purposes of the Commission, and to use, sell, and otherwise dispose of such property for the purpose of carrying out the functions of the Commission under this Act;

(4) receive, and use, sell, or otherwise dispose of, in accordance with paragraph (3) money and other property donated, bequeathed, or devised to the Commission with a condition or restriction including a condition that the Commission use other funds of the Commission for the purpose of the gift;

(5) conduct such planning studies and hold such hearings as may be required to carry out the provisions of this Act;

(6) secure from any Federal executive agency, including any independent establishment or instrumentality of the United States, or from any State or unit of

general local government, information, estimates and statistics required in the performance of his functions under this Act;

(7) obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code;

(8) accept and utilize the services of voluntary and noncompensated personnel and reimburse them for travel expenses, including per diem as authorized by section 5703 of title 5, United States Code;

(9) enter into contracts, grants, agreements or other arrangements, or modifications thereof to carry out the provisions of this Act;

(10) provide for the making of such reports (including fund accounting reports) and the filing of such applications in such form and containing such information as the Executive Director may reasonably require;

(11) withhold funds otherwise payable under this Act, but only in order to recover any amounts expended in the current or immediately prior fiscal year in violation of any provision of this Act, or any term or condition of agreements entered into by the Commission under this Act;

(12) make advances, progress, transfer and other payments which the Administrator deems necessary to

carry out the provisions of this Act without regard to the provisions of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529); and

(13) make other necessary expenditures.

(b) Each such Federal executive agency is authorized and directed to furnish such information, estimates, and statistics directly to the Commission upon written request made by the Executive Director.

ELIGIBLE PARTICIPANTS

SEC. 9. (a) Each participant in any project assisted by the Commission under this Act shall be a youth—

(1) who is unemployed or underemployed, and

(2) who resides with a family which has, or if not residing with a family has, an income equal to or less than 85 per centum of the lower living standard income level,

and who is not attending an educational institution, as defined by the Executive Director of the Commission, on more than a half-time basis.

(b) Such participants must be citizens or permanent residents of the United States.

(c) For purposes of eligibility for participation in an eligible project under this Act, no youth shall be considered as unemployed unless such youth has been unemployed for at least seven consecutive days.

ELIGIBLE PROJECTS

SEC. 10. (a) No financial assistance shall be provided under this Act and no project shall be conducted under section 13 unless the Commission determines that—

(1) the project—

(A) involves a program of energy conservation or energy development, such as solar energy development, low-head hydroelectric dam restoration, synthetic fuel production, weatherization programs, mass transportation programs, and the development of new energy sources;

(B) offers potential for contributing to career opportunities for youth;

(C) will be located in an area of substantial unemployment;

(D) will provide at least two hundred and fifty job opportunities for youth;

(E) will take at least two years from the date on which an agreement under section 12 is entered into to complete; and

(F) will offer youth participants a range of employment opportunities and advancement opportunities.

(b) The Commission shall develop objective criteria for the selection of projects consistent with the provisions of this

section and section 11 and shall submit the criteria as part of the first annual report to the Congress required under section 7(c).

PROJECT SELECTION

SEC. 11. (a) The Commission shall prescribe standards for the development and selection of projects which encourage proposals for large-scale projects designed to meet the requirements of section 10(a).

(b) The standards required by this section shall provide for—

(1) the development of proposals for energy conservation or energy development projects specifying the detailed employment needs and profiles for each such project;

(2) the costs of each such project;

(3) linkages for the youth opportunities element of each such project with prime sponsors and other institutions and organizations, including community based organizations which can contribute to employment opportunities for youth;

(4) a detailed description of administrative arrangements for carrying out the project; and

(5) a list of human resource specialists engineers and managers required to continually review the proposals developed under this subsection.

(c)(1) The Commission shall, in accordance with the provisions of this subsection, review each planning proposal developed under this section for the purpose of setting time tables and ranking the projects for selection under this Act.

(2) Once in each fiscal year the Commission shall submit the proposals developed under this subsection to independent experts for review and comment.

(3) After the review required by paragraph (2) of this subsection the Commission shall rank the projects in the order of the capacity of such projects to carry out the purpose of this Act and the timeliness with which such projects may be initiated.

ADMINISTRATIVE AGREEMENTS

SEC. 12. (a) From amounts appropriated under section 4(a), the Commission shall provide financial assistance to Federal executive agencies, State agencies, units of general local government, and nonprofit private corporations pursuant to agreements entered into by the head of such agency, government, or organization.

(b) Each such agreement shall contain provisions which—

(1) set forth a full description of the eligible project consistent with the provisions of sections 10 and 11 together with assurances that a preference will be given for the employment of eligible youth;

(2) set forth arrangements for an employability plan for youth participants which—

(A) describe standards for performance by such youth;

(B) provide assessments at periodic intervals of the performance;

(C) provide procedures for the termination of youth who do not perform adequately;

(D) describe in detail the supportive services for youth; and

(E) assurances that the youth will receive training and education opportunities designed to improve the opportunity of such youth for career advancement;

(3) set forth a description of the special vocational training and education elements of the employability plan described in the previous clause which will be carried out as an integral part of the eligible project and will be designed to increase the career advancement potential of participating youths;

(4) set forth a description of the production and organization techniques which will be employed in carrying out the eligible project and the provisions for adequate materials and supplies which will be available in carrying out the eligible project;

(5) set forth assurances that an adequate number of supervisory personnel, adequately trained in skills needed to carry out the project and to instruct the eligible participating youth, will be available in carrying out the eligible project;

(6) in the case of Federal executive agencies, contain assurances that existing resources and staff will be used in carrying out the eligible project;

(7) contain provisions designed to insure that any appropriate local prime sponsor may, if feasible, be involved in providing supportive services together with provisions for reimbursement for such services;

(8) set forth provisions for administrative and organizational arrangements necessary to carry out the eligible project; and

(9) set forth such other assurances, arrangements, and conditions consistent with the provisions of this Act, including the special conditions required under section 14, as the Commission deems necessary.

(c) The Secretary shall, as soon as practicable after the date of enactment of this Act, prepare and issue regulations to carry out the provisions of subsection (a) of this section.

RESERVATION FOR SPECIAL YOUTH EMPLOYMENT PROJECTS

SEC. 13. (a) From funds reserved pursuant to section 4(b), the Commission is authorized to—

(1) take whatever action and make whatever arrangements, including the transfer of funds, to develop and conduct jointly with the Secretary of Transportation, the Secretary of Energy, and the Director of the Community Services Administration, as the case may be, eligible projects subject to the reservation contained in section 4(b) with the added component of providing eligible youth with career employment opportunities;

(2) make such arrangements with the Secretary of Transportation, the Secretary of Energy, the Director of the Community Services Administration, and the head of any other Federal executive agency, having responsibilities under this section, as the case may be, to carry out jointly the projects to which this section applies pursuant to agreements entered into which substantially comply with the provisions of this Act, especially the provisions of section 12 relating to administrative agreements, and the provisions of section 14 relating to special conditions.

(b) Notwithstanding any other provision of law and to the extent necessary in the administration of this section, the

head of any Federal executive agency administering a project which is subject to the provisions of this section shall waive any administrative provision with respect to allocation, allotments, reservations, priorities, or planning and application requirements of the appropriate activity or project which is subject to the provisions of subsection (a) of this section.

(c) The Secretary of Transportation, the Secretary of Energy, the Director of the Community Services Administration, and the head of any other Federal executive agency having responsibilities under this section are authorized and directed to cooperate with the Commission in the administration of the provisions of this section.

SPECIAL CONDITIONS

SEC. 14. (a) The Commission shall not provide financial assistance under this Act for any project unless the following conditions are met.

(b) No eligible youth shall be excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in the administration of or in connection with any eligible project because of race, color, religion, sex, national origin, age, handicap, or political affiliation or belief.

(c)(1) Rates of pay for youth employed in eligible projects under this Act shall be no less than the higher of—

(A) the minimum wage under section 6(a)(1) of the Fair Labor Standards Act of 1938;

(B) the State or local minimum wage for the most nearly comparable employment; or

(C) the prevailing rates of pay, if any, for occupations and job classifications of individuals employed by the same employer, except that—

(i) whenever the recipient of assistance having an agreement under section 12 of this Act has entered into an agreement with the employer and the labor organization representing employees engaged in similar work in the same area to pay less than the rates provided in this paragraph, youths may be paid the rates specified in such agreement;

(ii) whenever an existing job is reclassified or restructured, youths employed in such jobs shall be paid at rates not less than are provided under paragraph (1) or (2), but if a labor organization represents employees engaged in similar work in the same area, such youths shall be paid at rates specified in an agreement entered into by the appropriate recipient, the employer, and the labor organization with respect to such reclassified or restructured jobs, and if no agreement is reached

within thirty days after the initiation of the agreement procedure referred to in this clause the labor organization, recipient, or employer may petition the Commission, who shall establish appropriate wages for the reclassified or restructured positions, taking into account wages paid by the same employer to persons engaged in similar work and rates established by the Secretary of Labor under section 442(3) of the Comprehensive Employment and Training Act; and

(iii) whenever a new or different job classification or occupation is established and there is no dispute with respect to such new or different job classification or occupation, youths to be employed in such jobs shall be paid at rates not less than are provided in paragraph (1) or (2), but if there is a dispute with respect to such new or different job classification or occupation, the Commission, shall within thirty days after receipt of the notice of protest by the labor organization representing employees engaged in similar work in the same area, make a determination whether such job is a new or different job classification or occupation.

(2) All laborers and mechanics employed by contractors or subcontractors in any construction, alteration, or repair, including painting and decorating of projects, buildings, and works which are federally assisted under this Act, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a–5). The Secretary shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 1, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

(d)(1) Eligible projects shall contribute, to the maximum extent feasible, to the elimination of artificial barriers to employment and occupational advancement.

(2) In the administration of eligible projects under this Act, eligible youth participants to be served shall be provided maximum employment opportunities, including opportunities for further occupational training and career advancement.

(3) All eligible projects, to the maximum extent feasible, shall contribute to occupational development, upward mobility, development of new careers, and overcoming sex-stereotyping (including procedures which will lead to skill develop-

ment and job opportunities for participants in occupations traditionally limited to the opposite sex).

(4) All eligible projects shall be designed, to the maximum extent practicable, consistent with every youth's fullest capabilities, to lead to employment opportunities enabling participants to increase their earned income and to become economically self-sufficient.

(5) Recipients of financial assistance having agreements under section 12 of this Act shall provide such arrangements as may be appropriate to promote maximum feasible use of apprenticeship or other on-the-job training opportunities available under section 1787 of title 38, United States Code.

(e)(1) All eligible youth employed in eligible projects shall be provided workers' compensation, health insurance, unemployment benefits, and other benefits and working conditions at the same level and to the same extent as other employees working a similar length of time, doing the same type of work and similarly classified. Any such classification must be reasonable and must include nonfederally financed employees, but within any single classification a distinction may be made between youth and other employees for purposes of determining eligibility for participation in retirement systems or plans which provide benefits based on age or service, or both.

(2) Appropriate health, safety, and other standards for work and training shall be established and maintained.

(f) Recipients of funds under this Act shall assure an adequate number of supervisory personnel for eligible projects, who shall be adequately trained in skills needed to carry out the eligible project and to instruct participants in skills needed to carry out a project.

(g) Financial records relating to eligible projects, and records of the names, addresses, positions, and salaries of all youth employed in eligible projects, shall be maintained and made available to the public.

(h) Where a labor organization represents employees who are engaged in similar work in the same area to that proposed to be performed under the eligible project which may be selected under section 11 of this Act, such organization shall be notified and shall be afforded a reasonable period of time prior to the making of an agreement under section 12 in which to make comments to the recipient and to the Commission.

(i) No nongovernmental individual, institution, or organization shall be paid funds provided under this Act to conduct an evaluation of any program under this Act if such individual, institution or organization is associated with that program as a consultant or technical advisor, or in any similar capacity.

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PAYMENTS

SEC. 15. (a) The Commission shall pay to each recipient having an agreement under section 12 of this Act, the amount which the recipient needs to carry out the eligible project under this Act.

(b) Payments made to such recipients may be made in installments, and in advance or by way of reimbursement, and in the case of Federal executive agencies, by transfer, with necessary adjustments on account of overpayments or underpayments, as the Commission may determine.

RECORDS, AUDITS, REPORTS AND EVALUATIONS

SEC. 16. (a) In order to assure that funds provided under this Act are used in accordance with its provisions, each Federal executive agency, State agency, unit of general local government and nonprofit private organization receiving such funds shall—

(1) use such fiscal, audit, and accounting procedures as may be necessary to assure (A) proper accounting for payments received by it, and (B) proper disbursement of such payments;

(2) provide to the Commission and the Comptroller General of the United States access to, and the right to examine, any books, documents, papers, or records as the Commission or the Comptroller General requires; and

(3) make such reports to the Commission or the Comptroller General of the United States as the Commission or the Comptroller General requires.

(b) The Commission shall enter into contracts with qualified independent private organizations to make thorough evaluations of eligible projects assisted under this Act. Evaluations conducted under such contracts shall be made periodically during the operation of the project and at the conclusion of the project with special emphasis on evaluating how the project contributed to career advancement opportunities for youth participants.

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Ms. OAKAR. I think, quite honestly, we are sometimes ignoring domestic issues in terms of the challenge that we face in the 1980's, and we can't ignore the fact that youth employment is one of our larger problems.

The CETA program has been a great interest of mine for many years. I used to be on the board when I was a member of the city council, and I learned that, No. 1, there were never enough jobs for the young people. No. 2, when they did get a job, let's say through the CETA program, it was not necessarily meaningful and it really didn't prepare them for too much afterward.

I think your bill really addresses these two very important aspects. It provides an impact on job resources and it deals with an issue that is of great interest to our country and could be an example for other countries if this program were to be successful. The question remains: What do we do in terms of using talented young people in addressing the need for alternative sources of energy, in impacting on those sources that are available?

Our Banking Committee, of which I am a member, just passed out a bill called the solar energy bank bill, whereby the Government will give low-interest loans to convert homes to solar energy as an incentive for people to start thinking in terms of solar energy.

There is a synthetic fuels bill that was just passed also and I can think of all kinds of other bills that we are passing out of Congress now, somewhat belatedly, but nonetheless, they are happening. It would be wonderful for young people to have an impact on the various problems by having them take advantage of the kinds of jobs that hopefully will be available because of the use of alternative sources.

So I just want to commend you. I am glad, Senator, you are thinking of the domestic problems also. I think we are ignoring those problems to a large extent and we have to get back to some of the great inner-city problems that we face.

So again I want to congratulate you and I certainly hope that the response to the bill on the House side will be favorable. I will try to help on the House side with this wonderful program that you have devised.

Senator METZENBAUM. Thank you. Your support is very meaningful and will mean much to us, and I hope you will introduce it on the House side or with other cosponsors.

It is my understanding from Ms. Jenkins that Congressman Stokes will be along later and will make his own opening statement at that time.

Ms. JENKINS. Yes.

Senator METZENBAUM. We will now hear from the panel, Mr. Roger Dubose, Mr. John Boyd, Mr. Jack Morrisey, Mr. Fred Feliciano, and Mr. Edgar Laboy.

Will you all come to the front table, please?

Roger, we will call on you first.

Mr. DUBOSE. OK; that will be fine.

Senator METZENBAUM. All right.

Just tell us what your experience has been in trying to find a job. Do you have a job and what has happened to you?

STATEMENTS OF ROGER DUBOSE, JOHN BOYD, EDGAR LABOY, FRED FELICIANO, AND JACK MORRISEY, A PANEL

Mr. DUBOSE. My name is Roger Dubose and I am 18 and I am a graduate from Glenville High School.

My experience in trying to find a job—I graduated from Glenville in 1978.

Senator METZENBAUM. That is a good school because I graduated from that school.

Mr. DUBOSE. Yes. Thank you.

That was 1978, of June, so September came around and I was trying to figure out what I was going to try to do. I decided I would go to a trade school. Other students went to college and some of them got jobs in factories and what have you; so I decided I would go to trade school.

I started there in September. I was going to school from 8 to 1, in the evenings, I would work in a grocery store from 2 o'clock to 8, or 7 o'clock, which kept a little money coming in.

Around June 1979, I graduated from the school, I had a B average, which was pretty good.

In June, I came out, didn't have a job, so I looked and looked. I was unable to find anything.

I went to the city to look for a job at RTA. Diesel mechanics was the field I was interested in, tractor-trailer maintenance, diesel buses, and trolleys.

So I went to the employment office—they sent me to a couple of places, but the main problem was I hadn't had any experience, and you can't get experience if you can't get employed.

So I went back to the school to the placement officer and he said, "Well, you will find it is kind of hard right now, because the industry is moving kind of slow." He was trying to tell me maybe I should relocate, go to Texas, Wisconsin, or up in Wyoming where the snow is about 8 feet high.

And I told him, "Well, I will stick around."

I was doing a lot of shopping around. I wasn't getting disgusted. I guaranteed myself that I was going to find something before such and such a time came around; and by then, I would be employed.

I looked around and nothing came up; but in the meantime I was still working 2 to 7. I wasn't getting more hours because I still wanted more time to find a job I wanted. However, after a while they asked me did I want a few more hours, and I said, "I will take a few more hours, and I will still find time to look for employment in the mornings."

I was going to work at 11 o'clock then, but I still was trying to find a job.

The placement officer called me back and said, "Are you sure you are not ready to move yet?" And I said, "No, not yet."

So a friend of mine went down, he put in an application. He said he was thinking about going to Texas, so he sent it off, and it came back. It wasn't quite like he said it would be, so I think he passed that one up.

So he asked me if I wanted to go to Wyoming and I said, "No."

In the meantime, I was still working at the same store that I was in high school. I was also going back to the Ohio Diesel Tech, to get

a few more hours in, but I still was working just enough to keep some money coming in.

Senator METZENBAUM. What school?

Mr. DUBOSE. Ohio Diesel Tech.

Senator METZENBAUM. How long did you go there?

Mr. DUBOSE. A year.

Senator METZENBAUM. And was that free, or did you have to pay?

Mr. DUBOSE. No; I had to pay. As a matter of fact, I got a bill in the mail about a month ago reminding me that the loan I got will have to be paid.

Senator METZENBAUM. How much do you still owe on the loan?

Mr. DUBOSE. Well, I owe them $500.

Senator METZENBAUM. $500?

Mr. DUBOSE. Yes.

Senator METZENBAUM. How much was the total cost, Roger?

Mr. DUBOSE. $3,050 and some cents.

I received supplementary grants and school loans, but I saved up some money myself, I don't have to pay anything but $500.

I got a loan of $500.

Senator METZENBAUM. What kinds of places have you gone to for a job?

Mr. DUBOSE. I have been to construction companies. I have gone to the Illuminating Company. I have gone to Ohio Bell. I have gone to the city.

Senator METZENBAUM. Did you go to the RTA?

Mr. DUBOSE. RTA told me I have to wait for a test. I started looking before I graduated from this school, and RTA was one of the places I went to. He told me I just missed the test; it was last week for the opening I wanted, maintenance service. So I went down to the RTA about a month ago, and he told me they are accepting now, so I went down and I went just to fill out an application.

He told me I have to go take a chauffeur's license test, which I took and passed.

Senator METZENBAUM. How much did that cost you?

Mr. DUBOSE. Six dollars.

So I went down, took the chauffeur's license test, and went back. They let me fill out the application and now I have to wait for another test; so they say they will get in touch with me.

Senator METZENBAUM. Did they tell you that you don't have the right qualifications when you look for a job?

Mr. DUBOSE. They say I don't have the experience or "I just hired a guy, as an apprentice; I don't need another one right now," something of that sort.

Senator METZENBAUM. What do you do at the grocery store?

Mr. DUBOSE. I am in the produce department.

Senator METZENBAUM. Do you just toss boxes around?

Mr. DUBOSE. No. I do a little more than that. I work with the vegetables and fruits. I know that pretty well now, but that's not really what I want to do.

You know, I have been doing all types of mechanical work ever since the summer of 1977 before I came to the grocery store. I was in the program that CSP, my coordinator at CSP, introduced me to.

I was working out at the NASA Lewis Research Center, and I was an aerospace lab technician mechanic's assistant out there.

When that program ended, I started at the grocery store, just when school started.

Senator METZENBAUM. You are a pleasant young man, great smile, but how do you feel actually about not being able to get into the field that you obviously worked quite hard to get into?

Mr. DUBOSE. It was a real letdown, because when I first started at school, everyone got me all bolstered up. "You are in the right field." "You should go into diesels." "You are going to make this." The course was really kind of hard because every day, people said, "Roger, what you doing up there on the porch reading that paper?"

And I was reading every day. We had a test every Friday. Everybody came around me, friends of mine would be going over to work, and I am getting ready for the test that Friday. Everyone would just say, "How you going to do? Are you going to make it? That's all right; because when you graduate, you will do this, you will do that," but nothing has come around yet. So I don't know how it is going to come about.

Senator METZENBAUM. Are you the only one who graduated who didn't find a job, or what happened to the other members of your class?

Mr. DUBOSE. Well, a friend of mine, who I knew down there, he received a job. He received a job that summer, in August. He went down to have an interview. The man didn't want so many people, but 5 months later, that company, the man went out of business; so he was unemployed for a while but he got 4 or 5 months' experience.

The man went out of business. He wasn't paying his bills. He was an old man, so the man who took over that building was watching my friend while he was working, saw that he was a pretty good worker, now he is working for that guy out there.

Senator METZENBAUM. I see.

Do you think that if we could find you a job or get you some training in the energy field, would that be of interest to you?

Mr. DUBOSE. Yes.

Senator METZENBAUM. Is that the kind of thing you would like to do, something more professional, more advanced than what you are doing?

Mr. DUBOSE. Yes, I would. Because I was thinking about working in that field for a while maybe. I was going to try to advance into something related to it.

[The prepared statement of Mr. Dubose follows:]

Statement of Roger Dubose
before the
Subcommittee on Employment, Poverty, and Migratory Labor
Senate Committee on Labor and Human Resources

My name is Roger DuBose. I'm 18 years old, and I live at 749 E. 118th St.

I graduated from Glenville High School in June, 1978, and then i wen to Ohio Diesel Tech, where I graduated in June, 1979. In that program I was trained in diesel mechanics, in tractor trailer repairs, and in motor vehicle maintenance. I've looked everywhere for work in mechanics, but I haven't been able to find a job. I've applied at the city, at RTA, at construction companies -- you name it. Whenever I go out driving and I see a truck company, I stop in and apply.

Everywhere I go, people ask what kind of experience I have. I tell them that I have my degree in mechanics, but they want somebody with work experience. But you can't get experience if nobody will hire you.

I work part-time at a grocery store, where I've been working since I wan in high school. I make about $140 a week at that job, but I would really like to be working in mechanics and use my training. A lot of people I know who don't go into vocational training programs end up taking work in dead-end jobs just to get by. I didn't want to work just regulat jobs, I want a job that will let me get ahead. Lately, though, I've had to work more hours at the grocery store, because I haven't been able to find jobs in mechanics.

Senator METZENBAUM. Roger, you tell a very impressive story and let's hear from John Boyd.

John, would you like to tell us what has happened to you?

Mr. BOYD. My name is John Boyd. I live at 1884 East 89th Street, and I am 21 years old.

I am now involved in the CETA training program at the Vocational Guidance Rehabilitation Services. I joined that program in January to get some job skills and training. I hope to be placed in a job in March or maybe sooner.

I know how to do some carpentry and some welding, but I don't have a certificate, so I can't find a job. Whenever I apply for a job, the employer wants to know what kind of experience I have or he wants to see a certificate, but I don't have anything to show them.

I dropped out of East Tech High School when I was in 10th grade. Since that time I've worked a lot of odd jobs just to make money. I've worked at a car wash, at stores doing stock work, at a brush company, and other places. Usually, I get jobs by asking people I know if they can help me get work so I can earn some money. When I'm not working, I'm out hustling for jobs here and there.

I think it would be better if a program were started where people like me could work with people who have skills—plumbers, welders, and people like that. If I'm working with a person who has skills, I can pick up the trade. I think that kind of experience would give me the skills and training I need so I can go out and find a job on my own.

My name is John Boyd and I am here to speak on the rights of unemployment.

My point of view is, that it is a chance to get a job. When I go to find a job, they tell me "You come back later," or "We will have a place open," then when I do go back, they tell me that I don't have enough school, after they see my records.

Senator METZENBAUM. Tell us what kind of schooling you have had, John.

Mr. BOYD. Well, I don't have too much of a high school diploma but I did graduate from the 10th grade and now I am in the CETA program, in an attempt to obtain further training for a job. It's really too late to, but it's never too late to get a high school diploma.

The field is now downhill, my own. Now I need a job to keep living, really, you know, keep the roof over your head.

Senator METZENBAUM. How old are you, John?

Mr. BOYD. Twenty-one.

Senator METZENBAUM. Can you do some carpentry work and some welding?

Mr. BOYD. Yes.

Senator METZENBAUM. And have you had a job at all? Have you been able to get a job?

Mr. BOYD. Yes; I have had jobs. There's not many, and it wasn't the type of jobs that I wanted to keep for a lifetime, but it would be working in stores and you know——

Senator METZENBAUM. Car wash?

Mr. BOYD. Yes, car washes, you know, something to keep me motivated until I could find something better.

Then when you go out to do something, it seems as though everybody is saying, "Come back tomorrow," or something like this, the interviewer tells you, you know, you don't have enough experience.

Well, people do have to have experience more or less to get a job and this is the type of place that I am into right now. Some type of experience to show those people that I am capable of doing what they are looking for, what they require for an employee.

Senator METZENBAUM. Do you feel that you could get some training if you could work with other persons that were better trained than you?

Mr. BOYD. Right. I feel that I can do the same thing if I had the same type of training that they have.

Senator METZENBAUM. How long have you been looking for jobs other than car wash attendant or grocery store boy positions?

Mr. BOYD. Three, four years.

Mr. METZENBAUM. Now, how many places have you gone to, looking for a job, would you say?

Mr. BOYD. All over the city of Cleveland. I really can't, account for how many places that I have been to, but I know its various types of 20 to 30 places.

Senator METZENBAUM. How recently were you out looking for a job?

Mr. BOYD. Recently, it's been the past couple of months, through the programs that I am in now which, it's a Government-funded program. It's something that, with benefits, more or less, takes care of your home and whatever.

And it's more or less a training school right now.

Senator METZENBAUM. Are you married, John?

Mr. BOYD. No.

Senator METZENBAUM. Are you married, Roger?

Mr. DUBOSE. No, sir.

Mr. BOYD. I can't really say but it's been hard trying to find a job, you know.

Senator METZENBAUM. You are a little discouraged?

Mr. BOYD. Yes. In a way. Because some people tell me, "Well, if you go through this here, we are going to get you a job," OK; and when you go through it, you learn you can't get the job because you are lacking some type of skill that is really needed, and necessary for the job's requirements.

And, it is discouraging, to have somebody tell you that, "Well, come on in; we are going to do this; we are going to do that," then when you get there, it's something totally different.

And they look at you; maybe it's personality, maybe the way you walk or talk or something like this; but I feel this is wrong, for somebody to tell you, "Come get this job, we have it for you," you have been through the training three or four times or whatever and then, you go there and they tell you, "Well, we are sorry," it is these types of requirements, to get jobs, that really make me feel discouraged.

Senator METZENBAUM. Do you live at home, John?

Mr. BOYD. Yes, I do. Well, I have my own home.

Senator METZENBAUM. You have your own home?

Mr. BOYD. Yes.

Senator METZENBAUM. I see.

How about you, Roger?

Mr. DUBOSE. No.

Senator METZENBAUM. Do you live with your parents?

Mr. DUBOSE. Yes.

Senator METZENBAUM. Anything else you would like to say, John?

Mr. BOYD. I would like to say I hope people will take this into consideration, because they say they care and they care, and whatever, but a family should have equal opportunities.

Ms. OAKAR. I just want to ask you fellows one question and I don't want you to be offended by it. However, many, many people think there is a direct relationship to why young people go out and commit crimes and the fact that they are unemployed. They get very, very frustrated, and so because they have no other avenue to go, that leads to criminal activity.

Do you think that sociologists who say that are right? I mean, does unemployment lead to some of your buddies engaging in criminal activity because of the frustration in not being employed?

Mr. BOYD. Yes, I feel it is true because, the experience that I have been through is like that, because they don't have any other way. They don't have anyone to go to, to talk to, to be understood.

They need this. They need this type of people to stay off of the field, and if they don't have it, this is the only thing they know, the streets, and that is what leads, to bigger crime.

Senator METZENBAUM. Edgar, you started to say something.

Mr. LABOY. Yes.

Thank you.

I know a couple of my friends, if they get laid off from work, just unemployed, then they say to themselves, "I have got to go back out in the street, go back through, break into a copper place, steal some copper," sure.

Senator METZENBAUM. Jack?

Mr. MORRISEY. It's part of the problem. If you steal a person's integrity, self integrity, then it is as bad as killing the person, by means of a slow death.

If they had a meaningless job, low pay, it's embarrassing but it also deprives a person of their basic integrity as a human being, and a lot of the young kids don't understand the dynamics of that but they feel it, and to go to a job that you didn't want in the first place, and you are underpaid, at the end of the day or at the end of a week or whatever and you have to put out more money for carfare or gas because the job is low paying, then when you get back home, you have to sit with yourself in your own home with these feelings of inadequacy because you have a job that means nothing, and that's pretty much——

Senator METZENBAUM. Tell us, Jack, what you do, if you will, and something about yourself.

Mr. MORRISEY. My name is Jack Morrisey. I have been trying to help young people find jobs for about the last 10 years, both on a volunteer basis and now on a full-time basis with Youth Outreach Services. I have especially worked with young people in the inner city or ghetto.

There is more and more frustration growing among young people today and the unemployment among youth is only getting worse. It is bad for all of them, but it is especially critical for Spanish-speaking youths and blacks. For the Hispanics, there is a cultural problem and a language problem. For blacks, the color difference is the main handicap. It appears to me that the basic employment procedures are white slanted.

A lot of the programs just plain don't work. There is a feeling among many of the young people I work with that you have to know somebody to get into one of the programs. And, even when you get in, the jobs consist of raking leaves and painting fences.

The young people I work with are not lazy, they do not want to be on welfare. They want to work and to be able to marry and raise families. But they are increasingly being faced with looking down the road to a future of meaningless jobs with little or no chance of advancement.

They don't want handouts or charity. They just want the chance to prove that they are intelligent, can work hard and can be good citizens.

As I say, my name is Jack Morrisey and I work with Youth Outreach Services, Inc. on the near west side of Cleveland.

Senator METZENBAUM. Youth Outreach Services, Inc.?

Mr. MORRISEY. I work with kids on a 1-to-1 basis at the street level.

Senator METZENBAUM. Is that a United Way-funded program?

Mr. MORRISEY. No. It is privately funded and also funded by the Federal Government city block grant.

Ms. OAKAR. That is a good program.

Mr. MORRISEY. Thank you.

The kids that I deal with have a multiplicity of problems because it is a multiracial, multiethnic region of the city.

We have black, we have white, we have Appalachian, the whole gamut of Spanish—South American Spanish, Cuban Spanish, Spanish from Spain, Spanish from Puerto Rico—and they all have their cultural differences, their cultural problems when it comes to employment.

The employment applications are generally white implemented. Sometimes the language barrier is a problem, it is difficult for them to understand the employment application, then the embarrassment sets in and many times they just leave out, completing the whole procedure of the application.

Most of the kids that I have been successful in getting jobs for in the minority groups that we are talking about have been very low-paying and virtually a job that will lead nowhere.

Senator METZENBAUM. Give us some examples, would you, Jack?

Mr. MORRISEY. Oh, if I get them into federally funded programs, like CETA, usually they wind up picking up sticks or bottles or raking leaves or, that type of thing, or a job for anybody with any type of mentality that doesn't hold an interest long, and they wind up leaning on the rakes or, playing tag, goofing off; then people see that and the whole program gets a bad name and it is basically because there is no future in the jobs.

Senator METZENBAUM. What do you think the answer is, Jack?

Mr. MORRISEY. Something like what you are purporting to do here, get them into something meaningful where they are trained and then they are salable on the job market later, something that they had a pride in when they accomplish it.

Senator METZENBAUM. The young people you work with, I gather, are both young men and young women?

Mr. MORRISEY. Yes.

Senator METZENBAUM. The young people you work with, would you say that they have the capacity, the ability, the drive, and the desire to work?

Mr. MORRISEY. Absolutely.

Senator METZENBAUM. That if given the adequate training, these young people could become a useful part of the work force?

Mr. MORRISEY. Many of them; yes.

Senator METZENBAUM. How many people do you work with?

Mr. MORRISEY. Well, over the 9 or 10 years I have been at this probably 2,000 young persons, in 10 years, 2,500.

Senator METZENBAUM. Out of the 1,000, or whatever number you are going to take, what percentage would you say you have been able to help find, work either through your own efforts or on their own, that were able to become a part of the major work force, not just the make-work, the raking of leaves, and so forth?

Mr. MORRISEY. Very low percentage.

Senator METZENBAUM. Very low?

Mr. MORRISEY. Very low.

Senator METZENBAUM. About 5 percent, 10 percent, 20 percent?

Mr. MORRISEY. I hate to say it, but that would probably be it; yes.

Senator METZENBAUM. Do you feel, as the Congressperson indicated, that many people with whom you worked, turn to the streets? Do you think that our failure as a society to help them find jobs really costs us more in the long run by adding to the criminal nature of——

Mr. MORRISEY. Absolutely. To keep a person in jail, incarcerated, runs $10,000, $15,000 year, and that might even be a low, modest figure.

I think it is far more profitable for society as a whole, including the individual involved, to put that kind of money into educating them or training them for something. Not only are you wasting the money but you are wasting the most valuable resource any country has, their young people. These are the future leaders and if they are not trained and they are not adequately educated, the country is in trouble.

Senator METZENBAUM. Does your kind of program artificially go out to find the young people? How do they get to you?

Mr. MORRISEY. Well, my main asset, if you want to call it that, is availability. I am on the streets most of the days, a lot of times at night. The kids have access to my home phone number.

Fortunately, I have been around long enough on the job that many of the kids are grown up and have families that I worked with and they still stay in touch with me for job opportunities and things like that.

I have had very little success in, say, getting my kids, my young adults, into manufacturing-type jobs and things like that.

I think it would be best described to say you get them in where the employment procedures are minimal, construction, something like that.

Senator METZENBAUM. Do any of them ever sit down with you and tell you about their frustrations, their hopes and their aspirations? Do you ever get into that kind of dialog on a 1-on-1 basis?

Mr. MORRISEY. Absolutely, I do.

My main function is not finding jobs for kids; it kind of started as an adjunct to the street counseling and street rapping and that kind of thing and taking kids on fieldtrips and to recreational activities.

To answer your question specifically, yes, I have had them cry because of being turned down for jobs or not being, you know, equipped to do the jobs, supposedly, when we both knew that they had the intellectual capacity to do it.

Senator METZENBAUM. Jack, I would just like to take this opportunity to commend you. There aren't too many people around who probably even would feel comfortable walking on the streets at night as you do, or in the daytime. I think it is a testimonial to the fact that you have become known; they believe in you, and there must be a certain sense of satisfaction you have in knowing that these young people believe you, trust you, and that you are trying to do something about their problems.

Now, I am quite frank in saying to you that 3 years ago, I was running for office, and I don't know of anything that made a greater impression on me than when I would walk into a public square in Dayton or some place like that, and some young person would come up to me and say, "Hey, man, what are you going to do about helping me get a job?"

And I went to Washington thinking that I was really going to help that young person get a job. I have supported the various CETA programs and some others. I have also seen them cut back over my objections.

My question to you is, If you were in my position, what do you think I, the Congressperson, could be doing that I'm not doing to help solve this problem, which I again repeat, in my opinion, is the greatest timebomb that exists in this Nation at the moment?

Mr. MORRISEY. Senator, I feel that you are on the right track with, again, what you, are putting forth here in terms of legislation, for programing, meaningful programing in jobs that will prepare youth to deal with not only their own personal problems, but social problems.

You know, if we don't make it together, we are just not going to make it at all. I know it is important what's going on in Afghanistan and all of the implications there, but if we don't take care of things at home, it won't make much difference what goes on over there.

I want to repeat again that we are wasting our most valuable resource and that's our kids.

If our home isn't there, we just don't have any.

Senator METZENBAUM. Thank you, Jack.

The Congressperson has a question.

Ms. OAKAR. Jack, I am familiar with your program; I live not too far away from your program, and I know the kinds you are talking about personally.

What coordination of services—I mean, we have the Spanish-American Committee, then there was WSEM; we have your program; there's going to be a group starting in March for a security program at Riverview and Lakeview whereby youth living in that area will be able to pick up some money under the CETA program, which I know a little bit about, being it is my bill; but what coordination is there in what you are doing, you know, because you don't have a lot of resources.

Do you have a lot of dialog with the Appalachian Action Council now and so on?

Mr. MORRISEY. I am going to answer your question, as it comes across to me.

Most of the groups that advocate or what have you, for the various ethnic groups, the racial groups, they have their own little thing.

The American Indian Society, I know, Jerome War Cloud; I have known him for some time. We worked together in the YPC program. Then there is, like you mentioned here, the WSEM; then there's the Hispanic groups. There really is no close association and the Youth Coalition, they meet weekly, year in and year out, and very little comes of it, only in terms of maybe some sporting activities, recreational things, but the area that you are directing your attention to right now, that really is vital, employment; the kids need a good time when they are out of school, and things in the summertime, recreational facilities and that kind of thing; but they are not young but a very brief few years and then they have all of these years ahead of them with no training and no education and they have to raise families and it's a natural urge and——

Ms. OAKAR. Jack, isn't it true—I guess what I was trying to get at is, you have all of these different agencies and I think you probably concentrate on it more specifically than any group, this particular problem, but you all are trying for the same small number of jobs, and that is so frustrating, and then you set up false rivalries, which is totally ridiculous, because you are all working for the same goal of helping young people. I guess what I am alluding to is the fact that we need more of the kind of programs that Senator Metzenbaum is discussing.

Mr. MORRISEY. Very much so.

Ms. OAKAR. And I think this has to be articulated loud and clear; that we need so many more jobs out there; that there aren't enough as it is right now to go around, and we set up false rivalries among groups and I think it is very, very frustrating for members of the community and for the agencies trying to do a good job.

Senator METZENBAUM. Thank you, Jack.

Fred, tell us your story.

Mr. FELICIANO. My name is Fred Feliciano. I am a June 1979 graduate of John Marshall High School and have been out of work since October.

I worked for several months in a bank, bank teller——

Senator METZENBAUM. You have graduated from high school?

Mr. FELICIANO. Yes.

Senator METZENBAUM. When?

Mr. FELICIANO. June 1979, John Marshall.

I quit my job because I was advised that I was going to receive a Federal grant to help me pay my way through school, but the grant is still tied up in redtape and I am still out of work.

The problems I find most about unemployment is, it just seems to be a lot of redtape connected with job programs and people don't want to help explain things.

Most of the jobs offered are very low level and there is no chance for advancement. There is discrimination and quota systems that work against you many times.

A lot of the employers give you the runaround. If you go to look for a job, they tell you that you need experience, but they don't give you any.

You see a job advertised and you go there the first thing in the morning; they will tell you that it's already taken and that seems to be, you know, the most frustrating of all because you imagine, like it's in the paper, you sort of have a good chance; but most of the times you go, the job is already taken.

Communicating, most of the Hispanics, I think, Spanish-speaking people, they have a lot of problems filling out applications or relating to other workers. They can't communicate right or they have problems.

Senator METZENBAUM. Do you feel there is any discrimination?

Mr. FELICIANO. Yes, sir; definitely, there is.

Senator METZENBAUM. What makes you think so?

Mr. FELICIANO. Well, the way we are paid, the jobs are always low-paying, no chance for advancement. It's just like if you are working with a fellow worker and he advances and you feel like you are working equal to what he is doing, it's discouraging.

Senator METZENBAUM. You graduated from John Marshall?

What kind of grades, C grades?

Mr. FELICIANO. C, B.

Senator METZENBAUM. C, B.

And——

Ms. OAKAR. I just wondered if the Spanish-speaking girls are in the same boat you guys are?

Mr. FELICIANO. Sure.

Ms. OAKAR. They have the same kinds of problems that you do; right?

Mr. FELICIANO. Yes, the same thing.

Senator METZENBAUM. What kind of jobs have you interviewed for and what have you been turned down for, Fred?

Mr. FELICIANO. I have tried factories. I don't really want to work in a factory because I know I have the experience to have a good job, to sit at a desk or something; to have a chance to advance.

I worked in a bank for a year and I filled out the grant forms, all sorts of grant forms, and I sent them in and I expected to get the money, so I quit my job to go to school. When I started class, they told me that I didn't have the grant, and I was stuck without a job and still I haven't even started school yet.

Senator METZENBAUM. Had you been assured that the grant was going to come through when you quit your job?

Mr. FELICIANO. That is what the lady told me. She said she didn't see any reason why I didn't get the money, because my father isn't working, my mother isn't working, and he is collecting disability.

Senator METZENBAUM. And you have still not been able to get the grant through?

Mr. FELICIANO. No. And I am not working, either.

Senator METZENBAUM. What do they say about that?

Mr. FELICIANO. I went yesterday and the lady gave me all these hassles and she said that I had to fill out forms again and send them in again and wait until they gave me a response.

Senator METZENBAUM. Well, I don't know, myself, why you didn't get the grant. It seems to me that you have got a Senator and two Congresspersons sitting up here; maybe we can help you, so if you talk with one of my staff people before we leave, maybe we can help you to get your grant through for college.

I don't understand that. Maybe we can cut through the redtape with this matter.

Mr. FELICIANO. Let's hope.

[The prepared statement of Mr. Feliciano follows:]

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TESTIMONY OF FRED FELICIANO

HEARING ON S. 2021 -- FEBRUARY 15, 1980

My name is Fred Feliciano. I am a June, 1979, graduate of John Marshall High School and have been out of work since October. I waorked for several months as a bank teller but quit my job because I was advised that I was going to receive a Federal grant to be able to go to college. The grant is still tied up in red tape and I am still out of work.

I have no unemployment and no welfare and my father is on Social Security disability so things are not very good.

Here are some of the problems and complaints I have.

First, there always seems to be a lot of red tape connected with the job programs and people don't want to help explain things. Most of the jobs offered are very low level and there is no chance for advancement. There is discrimination and quota systems that work against you many times.

A lot of employers just seem to give you the runaround. They tell you that you need experience but they won't give you any. You see a job advertised and when you get there the first thing in the morning, they tell you the job is filled.

Among Hispanics there is a lot of problems in communicating, first to get the job and then with your fellow workers if you get one. I have especially noticed prejudices among the interviewers.

I think things are getting pretty bad. We see all the ads on the TV about "the good life." But it's pretty hard for anybody to have a good life on $3 an hour or no job at all.

Senator METZENBAUM. Well, we will attempt, at least.

Edgar, will you tell us about your situation?

Mr. LABOY. My name is Edgar Laboy. I am 21 years old and a graduate of West Tech High School.

I took a course in vocation, machine shop, when I was at West Tech, and during that time at West Tech, our instructor, he would refer us to different machine shop places. And we would have interviews and if they accepted us, if they didn't, they didn't; and he sent us, when he sent us up. When he sent us out for these jobs, he referred us from his top students down the line. I was about the fourth student on the list.

Senator METZENBAUM. Fourth from the top?

Mr. LABOY. Yes. About out of 20 students. And I didn't get the jobs.

I worked at the Y at the time, so I started working full time after I graduated, at the YMCA.

Senator METZENBAUM. Is that where you are working now?

Mr. LABOY. No; I am not.

I got kind of frustrated at the Y and Jack tried to help me a couple of times; he talked to a couple of union men and nothing happened. So I just went into the service for 3 years, picked up a tractor vehicle maintenance trade when I was in the service.

Well, what's a tractor? A tractor vehicle? What can they do out here? A mechanic? A maintenance mechanic on a tank out on a street? No. So I got out of there. I left the service; then I came out here. I went on unemployment, collecting $99 a month.

I have a wife and kid——

Senator METZENBAUM. You collected $99 a month?

Mr. LABOY. I mean $99 a week. Excuse me.

Senator METZENBAUM. A week?

Mr. LABOY. I have a wife and a kid. My wife is working in a nursery; it's like a Spanish day-care nursery. She brings home about $400 a month.

Recently, I got a job at a factory, Modern Tool & Die, making $5.05 an hour, but the hours are from 7 at night to 5 in the morning, and my wife works from 8 in the morning to 5 at night. It's inconvenient—I don't get to see the child.

Right now, I am supposed to be sleeping.

Senator METZENBAUM. Are you working now?

Mr. LABOY. Yes, I am.

Senator METZENBAUM. At Modern Tool & Die?

Mr. LABOY. Yes. From 7 at night to 5 in the morning.

Senator METZENBAUM. And your wife goes to work at 8 in the morning?

Mr. LABOY. Yes, to 5 at night—so we have about 2½ to 3 hours to do whatever we have to do.

Senator METZENBAUM. That is not very good for the marital relationship?

Did you join the service to get some work experience?

Mr. LABOY. Yes, mechanic. I was going to actually do something; I wanted to get into some kind of rebuilding, engines, transmissions, something like that.

The guys—the recruiters—said I was going to be getting into some kind of mechanic work.

I was trained just to inspect tanks and trucks; that is what I was trained to do. I inspected and performed little minor maintenance, you know.

Senator METZENBAUM. That kind of maintenance doesn't help you with the ordinary kind of trucks here?

Mr. LABOY. No, it doesn't—well, I can inspect, but the actual experience, 2 or 3 years——

Senator METZENBAUM. Have you had any problems? I don't know whether you are a member of a minority or not. Are you Hispanic?

Mr. LABOY. Puerto Rican.

Senator METZENBAUM. Puerto Rican.

Do you agree with Fred that there are special problems that the Spanish, minority groups have trying to find a job?

Mr. LABOY. Yes, there is.

Senator METZENBAUM. Tell us why you said that.

Mr LABOY. I went a couple of places and, like I said, I, like when I graduated, I was the fourth from the top, fourth one from the top, and the rest of the students, except for one, was all of them white, except for two of us, which were Spanish.

I don't know what happened to him. I lost contact with him, but I was never hired.

Senator METZENBAUM. None of the others were hired?

Mr. LABOY. Yes.

Senator METZENBAUM. When did you get the Modern Tool job?

Mr. LABOY. A couple of weeks ago.

Senator METZENBAUM. And that job is all right except for what it does to your——

Mr. LABOY. Yes. And it's a meaningless job. I just—there is no advancement in that job.

Senator METZENBAUM. What kind of work would you like to do, Edgar?

Mr. LABOY. Well, I would like to go to school, but if I go to school full time, the VA doesn't pay enough for me to support my family, only $400 a month.

Senator METZENBAUM. What would you like to go to school to learn to do?

Mr. LABOY. Well, I would like to go to school to be something like Jack, help out kids, counselor, social worker, something in that field.

Senator METZENBAUM. A lot of people have charged that young people would rather draw unemployment than welfare.

Do you agree with that?

Mr. LABOY. I don't feel that way.

Senator METZENBAUM. Do any of you care to comment on that?

Mr. DUBOSE. No.

Mr. BOYD. No.

Mr. LABOY. I feel like I have enough pride to go out there and work. I am impatient with lying; I don't like lying. I don't like nothing of that, to hell with all of that.

Senator METZENBAUM. Do any of the others care to comment on that deal?

Mr. BOYD. Yes.

I feel the same way as he would feel. I wouldn't want to go to no job, you know, just because I have been in that type job and they tell you to come back, "We are going to hire you." You get there and they tell you that you don't have enough of this; you don't have enough of that; and I feel like he was indicating frustration.

It's a lot of, well, they will tell you, you know—I don't know how to put it, but it's just the way, you know, it's the low payment of the jobs. I was working at this Ohio Brush Co. The minimum wage was $2.90; am I right?

At that point, they was paying me $2.65. Now, it is my understanding it was supposed to be—I was under the impression, you know, that a black American or white, any nationality, was supposed to get paid $2.90 an hour.

Senator METZENBAUM. Where were you working?

Mr. BOYD. At Ohio Brush Co.

Wasn't that a standard law? Wasn't that the law, that you must get paid $2.90?

Senator METZENBAUM. How long ago was this?

Mr. BOYD. Oh, this was last year, the early part of June, May, June.

OK. Now, I was getting paid $2.65 an hour. My brother, he was also working there, and he was getting a quarter over me and it still wasn't $2.90; it was something like $2.85. I only worked 28 days; he didn't even let me get in the union before he fired me and I know I met the requirements for the job. It was just working this machine, and I think I was a better worker than anybody else in there, and people had been there long before I had. I felt I was being used by breaking my neck for them 30 days to get in the union to try to better myself and they fire me.

Senator METZENBAUM. Did he tell you why he fired you?

Mr. BOYD. No.

Senator METZENBAUM. Didn't you get a blue slip that day to give to the Unemployment Compensation Bureau, which explained why you were fired?

Mr. BOYD. No. He didn't give me nothing. He just told me he didn't need me any more and I asked him why and he said, "We are not doing enough work."

"You are not doing enough work?"

He said, "I am losing money," and I guess he is making more on the profits than what he was paying me.

Senator METZENBAUM. Were you asking him for a pay increase to $2.90 an hour.

Mr. BOYD. Right. I was asking for the minimum wage.

On all the applications I have filled out, I don't ask over the amount of what you should get paid by law because some people take offense and say, "Well, this guy is greedy; we don't need him around."

So, well, I always put the minimum wage on my applications when I apply for any job. I don't feel it's right and I feel, something should be done about it now.

From my understanding, like the little ladyfriend I have that works for the assistant also, now, she tells me they had a misunderstanding about—through the union or something; that they are

going to move if they didn't come to work. They don't want anyone to have a job, about a raise of some type or something like that.

Senator METZENBAUM. Well, John, I don't know what the situation was about your getting paid under the minimum wage, but I would say to you that there is a Government agency called the Wage and Hour Division, the Department of Labor. You can go down and talk with them about this, though it may not solve your problem; but I just mention that to you.

I want to say how much I appreciate your comments and the participation of all of you in this hearing. I think you have stated the problem extremely well, from a practical standpoint, of being a part of the work force, and we are very, very grateful to you for your assistance.

Jack, we appreciate the work that you are doing to help solve some of the problems that Roger, John, Fred, and Edgar have.

Thanks a lot.

Our second panel will have Booker Tall, special assistant to the mayor of Cleveland; William Wolfe, Urban League of Greater Cleveland; Doug Dieken, player representative, National Football League Players Association; and Mike St. Clair, player, and new end on the Patriots.

I am going to ask each of the witnesses—we will take their statements and submit them in full in the record—to be short in your comments because otherwise I am afraid we will be here all week. I hope that you are all in a position to do that.

Booker, please go ahead. We are happy to have you here this morning.

STATEMENTS OF BOOKER TALL, SPECIAL ASSISTANT TO THE MAYOR OF CLEVELAND, OHIO; DOUG DIEKEN, PLAYER REPRESENTATIVE, NATIONAL FOOTBALL LEAGUE PLAYERS ASSOCIATION; MIKE ST. CLAIR, PLAYER, CLEVELAND BROWNS; AND WILLIAM WOLFE, URBAN LEAGUE OF GREATER CLEVELAND, CLEVELAND, OHIO, A PANEL

Mr. TALL. The Honorable Senator Metzenbaum, distinguished members of this testimony, and friends. Our most precious and valuable resource is our youth.

I am honored to have the opportunity to be a part of an effort that affects us all. Our youth and their status is the most accurate indices for predicting our future programs and national viability.

As Frederick Douglass said in 1853:

> It is vain that we talk of being men, if we do not the work of men. We must become valuable to society in other departments of industry thus those servile ones from which we are rapidly being excluded.
>
> We must show that we can do as well as they. When we can build as well as live in houses, when we can make as well as wear shoes, when we can produce as well as consume; thus, we shall become valuable to society . . . .

Federal legislation to provide effective, efficient and meaningful youth employment careers, particularly for economically disadvantaged youth, deserves all our support and is long overdue.

According to the most recent estimates, unemployment for teenagers in the Cleveland area is too high. For the black teenager, it is somewhere between 35 to 40 percent. Black unemployment is not a new problem. Its roots run deep in American history.

There is little need to spend additional time on the exact percentages. Instead, our time and effort should be spent on solutions like this heroic effort embodied in Senate bill 2021. As a matter of fact, contrary to popular opinion, such comprehensive efforts to combat youth unemployment is not an expense but rather a wise investment.

According to a study done by the Joint Economic Committee of Congress, a 1 percent rise in unemployment means a loss of $21 billion in tax revenues and in other costs associated with unemployment.

In the following few paragraphs, an attempt is made to summarize the major concerns as expressed by leading researchers in the manpower areas and those of other concerned leaders.

The objective is to place before you such views and opinions as may help in giving direction to the policymakers at the legislative level. This is done with an understanding that these comments are not to be taken in the restrictive context of programs that are currently in operation nor directly about the merits of new legislative initiatives in this area of youth unemployment.

It may be more appropriate to say that the following points may be taken as the backdrop and necessary perspective, while discussing the issue of youth joblessness.

Youth programs and policy approaches seem to be at an important crossroad at this juncture, with increasing emphasis placed on imparting and upgrading basic skills to youth in need. Also, preparing youth for jobs versus placing them on jobs immediately will offset the general high unemployment rate.

It is generally accepted and supported by empirical evidence that the basic skills and improved educational credentials have direct relation to higher and better earning potential in the adult life.

The belief that emergency job-creating programs without appropriate backup efforts in proper training facilities and potential, or the necessary skill-level education to get meaningful jobs, may push the youths into less important, invariably manual/menial work devoid of career prospects and job satisfaction.

There is increasing concern that the United States spends much more money on students who are college bound or in college than on helping those who need special support.

"The average Federal expenditure on youth enrolled in postsecondary institutions is about twice as much per capita as that spent on nonenrolled youth who dropped out of high school, and about five times as much per capita as that spent on youth enrolled in high school," according to Alice Rivlin, Director of the Congressional Budget Office Ms. Rivlin testified before the Senate Committee on Labor and Human Resources last October.

This leads to another important area of information gap pertaining to dropped-out youths, when compared to the in-school youth population. The standard approach, is to be concerned about the dropped-out youngsters after the event, when they may very well be outside the traditional informational systems or sources.

It is important, to use Reverend Sullivan's metaphor, with regard to multiples of agencies and programs that are involved in the youth area to: "Put your ropes together and let them down to me." He was referring to the boy's cries for help to those who are

trying to help him individually. The message is improved coordination and cooperation along with the commitment to carry out the mission of helping the needy.

The approach of tying together two problems in American society, energy development and conservation and youth employment, has merit. The concept, however, should be expanded to include the related industries and/or skills, to provide the maximum employment market base. Also the private sector as well as quasi-public agencies, gas, light, and oil should be an integral part of this process. The private sector retail outlets as well as the construction field should be part of this career network, education methodology and strategy. The appropriate orientation should be of the cooperative nature that would reinforce placement as well as motivate the new student. In addition, the curriculum should embody a career ladder.

Many young people today graduate from high school functionally illiterate. Youth would need basic reading and math skills to qualify for energy-related training. Since no one wants to discuss or recognize this national problem, this bill could result in projects which emphasize menial tasks instead of realistic training. For example, Cleveland did have a YCCIP project which was implemented with various areas of training in graphics, land surveys, blueprint reading, et cetera. However, the final outcome was the youth ended up cleaning the land along rapid tracks.

Viability of placement is essential. One criteria for projects eligibility, according to the bill, is placement opportunities for 250 youth. With the downswing in today's economy, it is unrealistic to assume 250 job opportunities per project would be available to youth. Another hurdle to job placement is the stipulation that youth must be paid prevailing wages. This could create possible conflicts between rank and file union members who are also competing for limited resources, that is, jobs.

Consider community based organization. CBO's do not have the staff nor the capacity to conduct energy research and development type projects. Private sector involvement would be necessary for this type of project which would call for revamping of present CETA regulations.

A youth commission is another alternative. The establishment of a youth commission as outlined in the bill may need further study. Perhaps regional and local units might be necessary for clarity and communication.

As it relates to administrative agreements, exclusive attention must be provided to regulations. One of the major problems with youth programs today is the fact that they are too disjointed. They are divided into parts and segments, but nobody is responsible for the end result. There needs to be a single approach for simple monitoring and evaluation.

In terms of the projects, care must be given not to further polarize minority youth from the majority. Historically, black inner-city youth are enrolled in the public programs and majority youth of the suburbs are enrolled in private industry's highly skilled careers.

In conclusion, Mr. Senator, I salute you for your humanitarianism efforts for sponsoring legislation to assist our unemployed youth.

I believe the founder of OIC, Rev. Leon Sullivan, is correct in his statement that:

> Our Nation is faced with a youth unemployment crisis so dangerous that failure to act now to end it can turn crisis into disaster. We must declare war on youth unemployment with every resource at our command, and we must do it now.

Thank you very much.

The Honorable Senator Metzenbaum and distinguished Congresspersons, I think that it has been well pointed out here that we are dealing with our most precious and valuable resource, and that is our youth.

Certainly, the mayor wanted me to say to you that he would have liked to have been here in person. He is in New Orleans, however, dealing with a similar problem, the new Comprehensive Training Act.

We are honored to have a part in this effort because it is one that affects us all. I think that my background has been in this area in some indirect way for the last 20 to 22 years. I would like to see a national commitment based around the conservation programs of energy and especially mass transportation. I got excited about the legislation because I saw it addressing two specific problems.

As an educator for 27 years, I believe that one or two of the greater problems with young people are a lack of faith in anything, and a lack of opportunity in terms of the job market.

I think that this legislation is to be commended because it is for 2 years. Working in a number of the programs over the years, I realize that one of the constraints of the previous regulations was that they were made too short to accomplish the kind of educational and training programs that are necessary. I was elated to see this 2 year legislation.

I think that we need a program that will allow young people to develop various kinds of preparation skills for jobs. Creating legislation which allows for 2 years rather than the typical 6 weeks or 18-months. I think that is a step in the right direction.

In addition, I think that this legislation provides some new avenues that address the first problem that I mentioned. As Reverend Leon Sullivan points out very well, we must place the right perspective on motivating young people to want to do something for their country.

I think that work dealing with energy programs and conservation programs, will provide motivation, especially when it comes to black and minority young people.

Many of them, as was testified to here today, felt that their jobs were meaningless. In fact many of our public programs today are dead end jobs in which youth get small funds, but those funds eventually run out.

I think the third thing I would like to say is that we are dealing with people who are out of school, and who have lost contact with the school system as resource systems, that they could depend on, they are simply lost out there. I think that this is an area in which people have not had the opportunity to earn any money, to draw

unemployment compensation or to enjoy other kinds of benefits. I think that is vital to address this group of people.

In talking with some of the people inside our shop, they have some different notions about it. In my experience, however, I see young people coming through our office, between 21 and 24 years of age. They are out of school; they can't go to college. They can't take up a trade or, if they have had a trade, it is a dead end one. I think that the legislation would address a new group of people that has been left out, those who have never had a job. They no longer have the opportunity to go through school, but want to pursue some profession. So I think there are too many of these programs that have been dead end programs.

Also, I hope that there is some sort of career ladder built into the program so that a young man or a young woman will understand that when they are going into it, whether it be energy or transportation, that they will know that when and if they are cut off from what they are doing they can go on to a related profession.

I think that so much talent lies in undiscovered young people. One young man impressed me on your panel this morning that perhaps has that kind of ability. He may be trained in one elementary entry-level job but there's nothing built in that lattice that would say that that young person has the potential to be an engineer or an architect or an urban planner or some of the other areas in the energy field that are important.

I do feel, however, that somehow, as I read this legislation, we are addressing ourselves to the public sector. I think that it should be cross-fertilized to use the private sector as well.

I think it has become overriding belief that inner-city minorities, and blacks, are involved in the public programs while the suburban youngsters are enrolled in the skilled trades. One sees an artificial polarization occurring. I do feel, though, that it is going to take both the Government, and private industry must work together to create more jobs for our Nation's youth.

Senator METZENBAUM. I think the best chance we have of getting the private sector involved in this area is by reason of the fact that we control the purse strings. Control of the purse strings can oftentimes be persuasive and I think that's why your comments are very significant and right on the target. It is all the more reason to combine the energy programs, and this will have moneys in the area of $88 billion in the coming years. For this reason I think we may be able, if we can put this program across, to convince the administration to get behind it. It could be very, very meaningful in this effort.

Mike St. Clair, we are very happy to have you here this morning, and we would appreciate your comments.

Mr. ST. CLAIR. My name is Mike St. Clair and I am a defensive end for the Cleveland Browns. I am 26 years old. I am a native of Cleveland, where I grew up in public housing on East 49th Street, along with my three brothers and one sister.

Since I came back to Cleveland from college to play for the Browns, I have spent a lot of time with kids in all parts of the city, speaking at high schools, at sports banquets, in the elementary schools, and just with kids on the streets. We talk about a lot of things, but mostly about their future and about looking for jobs.

Most of the kids I talk to are trying to find something for themselves. They want to find a job, but they also want to do something they really like, something that they are interested in and that will do them some good. But most of them are forced to take a lot of jobs that don't really do them any good. They aren't interested in those jobs, and they don't try very hard. And they end up without the kind of work experience that will give them an advantage when they apply for the next job.

I think this is very important. A lot of programs that are set up only seem to put kids to work sweeping playgrounds or cleaning streets or other work. If you know you face that all day, it's pretty hard to get excited. You get tired of sweeping a floor, or even pushing kids on the playground swings, and there's no reason to do it right.

I think we need to set up programs that let kids get some experience with other types of work, so they can decide if that is the field they want for themselves. Maybe they can be assigned to work with doctors for a while, or in hospitals, or with policemen and firemen or in the local banks.

If they could help people in those businesses and see what that work is like, it would give them an idea of what they could do later on. Then, they could take classes to help themselves. If they know they are going to be involved in jobs that can train them and give them good experience, they will be interested and they will show up on time and they will get dressed up. That would be a lot better than just sweeping streets.

I meet a lot of kids who are starting to give up, because there is just nothing out there for them. They would like to have some good experience before they graduate from high school or right after they graduate, so they can get out and make it on their own. But they never get the chance. They go out and talk to the man about a job, and he asks what experience they have, and all they can say is that they cleaned streets or something like that. When they don't get a job, they get frustrated. Pretty soon, they stop looking for work. I see that happening in the ghetto and parts of the inner city.

Kids are taking jobs they don't want, because that's the first law of nature—you have to survive. But they would take good jobs if they could. I'm not sure about all the details of the program you are talking about, but it sounds like it would be the right kind of program.

We need to get kids working on energy projects, helping to cut down on heating expenses in their own homes and around their neighborhoods, and make them feel like they were doing something worthwhile. At the same time, they would be able to learn some skills about installing insulation or about constructing different energy projects, which they could use to get some other jobs later on.

The kids I talk to are frustrated, but they haven't given up yet. I think this sounds like a good program, and I'm glad that you are trying to do something like this. I hope we can get something like this started before kids start to give up hope.

Senator METZENBAUM. You don't think that pushing swings, sweeping floors or doing the most menial types of anything, al-

though it puts a few dollars in their pockets, does anything for the future of the youth in question, is what you are saying?

Mr. ST. CLAIR. Yes. I don't think that is helping them at all, and I know that when I was doing the things I don't want to do, like sweeping a floor, I had another plan in mind that I wanted to be a professional football player. Luckily I had the God-given talent to go on to college and get an education. But, it's a select few that are chosen to be a professional athlete, and everybody can't do those types of things.

I think that this program would help them better themselves and in the long run would give them some type of experience. Something that they could look forward to.

I mean, if you were working in a bank and you were assistant to the bank manager you would get up in the morning, and you would try to be on time, and try to be nice. You would have what would be a responsibility for you and you would come in this job and you want to do it, instead of going on a playground, pushing a kid on a swing.

That type of thing gets boring to you and you do that anyway; once you get off, and work during the summer.

Senator METZENBAUM. Do you find some of the young people with whom you talk almost ready to give up, because they are frustrated?

What do you find out about that, Mike?

Do they talk to you?

Mr. ST. CLAIR. Well, they are very frustrated now because the economy is like it is and the job markets are not open. A couple of kids that were up here said that their friends leave jobs and then they end up stealing.

Well, quite naturally, I don't mind a playground for self development. But when you are just sitting around doing nothing, you are going to eventually get into other activities.

Senator METZENBAUM. Do you think the program we are trying to get together to get the kids trained in the energy field and get them some hope for the future is along the lines of what you are thinking?

Mr. ST. CLAIR. Yes. I think that would be a good idea, to help them get into the energy projects, to help cut down on the heating expenses in their own homes and around the neighborhoods and this could, this would be like doing something worthwhile and at the same time they would be able to learn skills about installing, installation or about constructing different energy projects, which they could use, you know, some other jobs later on.

It sounds like a good program and I am glad that you are trying to do something like this. I hope that we can get something started before the kids start to give up hope.

Senator METZENBAUM. Mike, first I want to thank you for the work that you are doing with young people in this community. I don't know whether you are going to move to Boston or not, but we hope you will be coming back and continuing work with your young people or, if not, work with young people in Boston. They are equally important. Also, we are grateful to you for your participation today.

Mr. ST. CLAIR. Thank you, sir.

Senator METZENBAUM. Now, Doug, Doug Dieken.

Mr. DIEKEN. My name is Doug Dieken. I am 31 years old, and I play offensive tackle for the Cleveland Browns.

Senator Metzenbaum, I want to express my appreciation and that of the National Football League Players Association for your efforts to address the problem of youth unemployment in this country.

Other people here today will be able to give you the statistics, but I can tell you from my own experience that the kids that I work with, and that other football players are working with, are very frustrated. They are giving up hope, and they are getting into trouble. It is becoming a very dangerous situation.

The National Football League Players Association is involved in a number of programs to help the Nation's youth. Last year, the association sponsored Operation Outreach, at the request of the Vice President's Task Force on Youth Employment.

Under the program, 25 of the players interviewed kids, project directors, and local officials around the country to better evaluate the problem of youth unemployment and to explore possible solutions. The NFLPA has also signed a contract with the Department of Labor to conduct 2-day workshops in all parts of the country to work with kids who participate in the CETA job corps program. We believe that this informal support and encouragement helps kids develop the attitudes and skills they need to be successful in any job.

In the past, I have worked with the summer camps set up by the NFLPA in the Unions for Youth program. That program is set up in 10 cities in the country, including Cleveland, to help young men and women, aged 14 to 16, who are economically disadvantaged. Each camp session lasts 11 days. We expect more than 4,000 youths to participate in this program nationwide during the summer of 1980.

The Unions for Youth program is designed to help kids think about what they want to do with their future and to acquire some marketable skills. We set the camp up as a microsociety, and each camper has his own purpose—as newspaper reporters, camp counselors, or other roles. They learn about different kinds of work, what they might want to do later on, and they are taught good work habits. Vocational counselors are onsite to help kids think about jobs they might like to have in the future, and football players and other athletes are on hand to discuss a variety of professions, not just professional athletics. We are very proud of this program. We think it helps a number of kids around the country to get their career started off on the right track. But we recognize that it doesn't go far enough. Much more needs to be done.

I have also worked for 4 years, until 1978, with the Metropolitan Cleveland Jobs Council in trying to place a number of high school students in jobs once they graduate. This experience has opened my eyes to the problems that these kids are facing.

These kids are the top of their class, the top 10 percent. They are very ambitious. But they need to have a chance. A lot of times, nobody gives them that chance. I have personally made a lot of phone calls to local employers. Almost everybody says that they

are sympathetic, and that they would like to help, but they just don't have the extra slot open to hire the kids.

These kids are the cream of the crop. If you can't help the top 10 percent, what about the other 90 percent? It's very disappointing for these kids.

One year, I decided to have a meeting with all of the kids who I had on the list. About 100 kids came down, but I could only place a few of them. The others were very upset and frustrated. They really wanted a job, but they couldn't get one. Now, I don't meet with them all at one time, because I don't want to raise their hopes too high. Whenever I hear about a possible job opening, I send three or four of the kids down separately to talk to the employer.

We need to set up programs that teach kids the right values about work and then to help them find meaningful jobs. When I talk to kids at high schools here in Cleveland, everybody is interested in becoming a professional athlete. But I tell them that everybody can't be a pro—they've got to think about what else they should be doing in the next couple of years.

These kids are interested in finding good jobs, not just make-work jobs. That's why the program that would be established by your legislation would help. It would put kids back to work, under proper supervision, in the field of energy.

Everybody is aware nowadays of the need to save energy and to cut down on energy costs. I think the kids that I work with and the people who have just graduated from high school would like to get involved in that effort. It would help the kids and help their community at the same time. It would give them the job skills they can use to find other jobs in the future. And it gives them the chance to succeed. That's very important. If we don't give our youth this chance, it will hurt all of us in the long run.

The players association feels that football players are people first and they are football players second. Some kids, as I say, identify with football players. I saw this while working with kids through the Department of Commerce in the summer. Just to relate back to what Mike was saying, that he was fortunate to have been a football player in the National Football League, I have been to career days in schools in the city. One of these was at Shaw High School, and there were probably 200 kids lined up to talk to me because they thought they were going to be professional athletes.

But where the other jobs were, there were maybe one or two kids at each table, maybe being interested in carpentry or engineering because they felt they didn't have a chance. They all thought they would have a chance to become a national football player and there's only, you know, 1,400 or 1,500 professional football players in the National Football League and these kids are misled with this impression.

The impression, then, that I left with was that the kids didn't think they have a chance to participate in the other programs. But up until the last year, I worked for the Department of Commerce in the Office of the Secretary in what was described as a Business Management Fellowship program, and my job was to take the upper 10 percent of kids, socially and economically disadvantaged, and place them into jobs that would be really an advantage to their fields of study in college.

These were all students that, to qualify, they had to be enrolled or signed up to go to college and be accepted.

Well, one of my first years that I did this job, I brought all of the kids over from the inner city—I must have had about a hundred or so. To these students, I said, "Would you like a job?" and they all wanted jobs.

So then I went out to hit the job market, only to find out that there aren't that many jobs there. I made a lot of enemies with this approach, because they thought I was going to be able to get them jobs and I thought I was, too. I was pretty much misled.

So the next year, I decided to do it the other way around: I would get the job first and then send two or three kids over to interview for the job, with the idea that they would hire one. But, I guess it was quite a frustrating experience for me to try to locate these jobs. And listening to the panel previously, I can imagine how hard it is for them because jobs just didn't exist, I was fortunate to get 15 jobs a year out of the city, and you are talking of kids that are in the top 10 percent of their class. I can't guess what happens to the other 90 percent. These are students that were supposed to be the cream of the crop. You are talking about the third or fourth students in the class, and companies just don't hire them.

The majority of the people said that there were so many layoffs that they couldn't afford to hire anyone new, because of the people they already had laid off.

But I guess your program is a step in the right direction. Anything that can help the future of the community, I definitely believe, is something that is going to get these kids started because there's not an opportunity for them elsewhere.

Senator METZENBAUM. To help them, we have to help them into jobs which would have some upward mobility rather than just get them jobs for the sake of doing the work, because that doesn't eliminate the frustration; that just takes a human being and makes him into a sort of machine pushing a broom, or whatever the case may be.

I was interested in Mike's comment, about pushing swings; I never thought of that as being a job, but I guess that kind of job would not be very meaningful after the first 3 hours. I guess it could get a little bit frustrating.

We appreciate what you are doing, Doug, and we appreciate also the involvement and participation of the National Football League. They are providing the impetus with football players who simply are the idols of so many of our young people, as well as our adults. Also, I think it is very, very important that the NFL has seen fit to provide this kind of direction; and we appreciate your own personal involvement very much

Thank you.

Mr. DIEKEN. Thank you.

Senator METZENBAUM. Mr. Wolfe, we are happy to have you with us this morning.

Before you start to testify, can you tell me about your son? What is he doing?

Mr. WOLFE. Well, he is now on the swimming team at Cleveland Heights High School, and he is no longer selling papers. At 14 you

stop selling them, so I don't have to have my wife spank him for not delivering your paper.

Senator METZENBAUM. No; I never complained about him for not delivering my papers. He was a fine young man and you can say hello to him for Mrs. Metzenbaum and me.

Mr. WOLFE. For the record, I am William K. Wolfe, president of the Urban League of Greater Cleveland, and I would like to take a brief moment to say thank you for allowing the Urban League to present its view on an area that has been in the forefront of our arch rival, unemployment.

Naturally, and for the record, the Urban League favors any program implementation that is able to reduce the high unemployment rate sweeping across this country, especially among black Americans. We also favor any conservation efforts as long as the end product doesn't further strain the already overburdened and economically disadvantaged inner-city populations of this Nation.

Indeed, we favor any program that will reduce unemployment and provide alternative sources of energy while allowing for upward mobility of its client population. At the same time, we are highly pessimistic and leery of projects designed to satisfy an immediate need without giving any forethought to the residual effects of the program after the client's tenure has ended.

Senator Metzenbaum, you once told me that you used to deliver programs out in front of the gate at Ohio State. You said that the funny thing was that you never saw a game because you were so busy out there hustling the programs and making money to put yourself through school.

You worked yourself through college and the effects of that low-paying, nonskilled, dead end job had absolutely no effect on your ability to become a very successful businessman or a very successful politician.

I do not have disrespect for dead end, low-paying jobs. If I had 10,000 of them here in this town at this time, I could make a substantial impact on the unemployment of youth and blacks in this city. But the horn of plenty is over as there are not enough jobs to go around this country.

For the unemployed, it is an illusion that we will have enough. Your program will be an absolute waste of time unless it is tied between the education, the experience, and the bare removal that makes people unemployable.

It is not our intent to criticize, but to offer a constructive model based on our experiences of the client types who have utilized programs for employment assistance and the types of services used to assist those clients.

The success of employment and training programs may depend on the development of an effective plan which more efficiently meshes Federal funds with the needs of the service population. Suggestions which may assist in the attainment of this goal are as follows:

In the employment sector, there are three basic types of individuals who are seeking services. For clarity, these three categories will be referred to as "A," "B," and "C" clients.

The "A" client has some skills and related work experience of over one year. His/her education level ranges from a high school to

a college graduate. However, very often the degree of skill which the individual possesses is outmoded and/or difficult to market. These individuals have basic work experience but, due to unforeseen circumstances, are currently unemployed.

"B" client has some skills, education or training, but very little, if any, related work experience. This person's education is usually limited to a high school diploma and/or trade school. However, he/she has done well in high school and earned good grades. This category also includes the person who took college-oriented courses in high school but, due to unexpected circumstances, was not able to pursue a college education. This individual's work background is limited to general low-skill occupations and has been forced, through no fault of his or her own, to change jobs very often—less than 1 year at any one job. The person's only exposure to a skilled occupation has been through courses taken in high school.

The "C" individual often comes from a split or unstable family situation, and has spent his/her life on welfare. He/she usually performed very poorly in school and eventually dropped out after high absenteeism or discipline problems. The "C" client's employment background is usually limited to summer programs or minimum wage positions. Employment terminations are usually the result of absenteeism, personality conflicts, or poor job performance.

This individual has no limited marketable skills and is in need of extensive skills training and job-related counseling pertaining to job attitudes, punctuality, grooming, et cetera.

There are six basic levels of services offered by employment and training programs. First is training services. These programs—clerical, auto repair, welding, are generally hands on controlled training situations located in an established training center. Individuals enrolled in these programs receive basic minimum wage stipends for the normal 16-week training cycle.

Second is the on-the-job training—OJT—and work experience program. On-the-job training programs are designed to provide the client with an opportunity to receive training for a particular position while performing the task within the private sector. Often, Federal funds subsidize one-half of the client's training cost, with the private sector company absorbing the remaining one-half.

Work experience programs are designed to expose individuals to the world of work through placement into positions provided by nonprofit organizations such as hospitals, social agencies, et cetera. This exposure enables the individual to adjust to work situations prior to entering the private sector employment field.

The third level of services is job development/job placement for unsubsidized employment. Funds are granted to agencies for developing jobs in the private sector and matching clients to those jobs. Thus, clients utilizing this service are placed into unsubsidized jobs in the private sector.

The fourth level is the public service employment, PSE, projects. Levels 5 and 6, while not being synonymous, work hand-in-hand. They are barrier removal and classroom training. Barrier removal attempts to remove those objectionable characteristics and attitudes that traditionally have blocked entry into the labor force.

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Instead, positive attitudes are instilled on how to choose, locate and maintain a job. Classroom training reinforces these new attitudes.

If the six basic levels of service are matched to the "A", "B," or "C" clients, one can gain insight into the amount of money and level of services which are needed in any employment program.

The "A" client, who has some basic work experience, very seldom needs any service other than job placement assistance. This service can usually be provided through a single visit to an intake office and a followup telephone call to employer and clients. Effective job placement can place these individuals quickly, efficiently, and at a low cost.

The "B" client at most requires two levels of service. Those whose skill level is not sufficiently high to make them immediately placeable can be entered into an OJT program. Those with fairly decent skills can normally be provided service through placement counseling techniques and/or aggressive job development. The cost of service to "B" clients is only slightly higher than "A" clients.

The "C" client is an individual who will usually need all six levels of service at an enormous cost of both money and time. Initially, the client needs basic training in some field in order to acquire a marketable skill. Then, because the individual has minimal work experience, he/she usually needs to enter a work experience or PSE program to acquire job-related skills. Finally, lacking exposure to the private sector employment market, this individual will often need job placement, barrier removal, and classroom assistance.

The number of clients to be effectively served, and the unit cost per client served, are both dependent upon whichever category of client one places emphasis. For instance, if only service to "A" and "B" clients is stressed, then a far greater number of people can be serviced for a given cost because the amount of resources needed to service each individual client is one-ninth as much as the cost given to "C" clients.

If one decides to exclusively service "C" clients, which some people feel is the sole purpose of Federal employment programs, far fewer individuals will be able to reap the benefits. As illustrated above, servicing the "C" client requires many more resources and an expenditure of much more time and money as multilevels of service are needed to make the individual employable. More money will have to be expended for each client served which means fewer people will be able to benefit from the programs.

The efficient distribution of funds and the service eligibility criteria should be designed to serve all levels of clients and many more levels than are currently being served.

Many employment programs are designed to contribute services to the long-term unemployment; so "C" clients are emphasized in program planning. However, exclusive services to the "C" population would exclude services to "A" and "B" clients, and would be of questionable benefit to our society.

In addition, services to "A" and "B" clients are very cost-effective and provide a greater and faster return for the money expended, but exclude that segment of our population where the services are most needed.

Therefore, those on the "C" level should be eligible for all levels of service. An individual who has not graduated from high school and only held minimum wage level jobs, should not be barred from services simply because he held a menial job recently. With long-range planning or, as we stated initially, "forethought," the "C" client, over a period of several years with guidance, would subsequently be self-sustaining and thereby lessening the possibility of needed repeat services or, at least, perform as a "B" or "A" client.

This formula would allow all "C" clients immediate access into aid program systems and a priority on all training and work experience programs when they become eligible.

All "A" and "B" clients who are unemployed would be limited to job placement assistance. This will insure that those with marketable skills will not be competing with "C" clients for the limited and costly skill development positions. This will insure responsiveness to the total needs of the unemployed sector.

In conclusion, it would appear that two approaches are necessary to increase cost effectiveness. One is to strike a harmonious balance among the number of each of the three eligibility client types who are to be provided services. And, two, is to streamline or restructure training components to increase their efficiency in order to lower the cost factor for providing training.

Accomplishment of the preceding two goals will establish an equitable balance among client types served and will increase the total cost effectiveness of an overall employment program.

The suggestions made are not of a traditional nature whereby an immediate need, usually a job, is satisfied, but an intensely structured program over a period of several years.

It takes nine times as much money to work for the "C" clients with all of the aspects of employment than it takes working for "A" and "B". From a theoretical point of view, I am opposed to putting all the money in just "C" clients, because the time factor to make them viable for employment is a minimum of 2 years. If you put all Federal money in that way, you would have a void of people being utilized for employment while we are waiting for them to become eligible.

I recommend that you have a variety of programs, a variety of levels, for those who are unemployed, from the "A" client to the "C" client.

It is obvious that we have a responsibility for those in most need and the majority of our resources should go there; but to put all of our resources there is to know a reality that would be criminal.

Senator METZENBAUM. Well, wouldn't you agree, Mr. Wolfe, that the program our bill contemplates is not to take all of our money in that area, but rather to take money that the Government is presently in the process of appropriating, that comes from the windfall profits tax, and in the main, $22 billion at the first step for energy programs, and a total of $88 billion?

Now, if we can take 5 or 10 percent of those dollars and use them to see to it that people probably in the "A" category, I am not certain they have to be in the "A" category, but if we use those dollars, that, to me, would be a way of making meaningful impact.

I sit on the Budget Committee, and the Budget Committee is always concerned about balancing the budget. If there is anything

everybody in America wants, they want apple pie and balancing the budget. That is the solution to all problems.

The fact is that I also sit there and find myself in a minority of about four or five who are trying to keep such programs as CETA from being dissipated.

Mr. WOLFE. The price is too high, Senator. The cost of one inmate in prison is $25,000 a year, $50 million in this city under the OJT program, the on-the-job training program, would provide 10,000 jobs and return $20 million back in tax.

Senator METZENBAUM. Isn't that the reason that we read——

Mr. WOLFE. But what I am saying is two other things.

If you take that half a million dollars that we are providing in welfare, those other million of dollars we are spending in medical matters and the billions of dollars we are spending on education and then the hundred million we are spending in the CETA program and put it all together, there is no jointness between them or coordination which makes some maximum impact for those who are below the employable stage.

We have to have a distribution, and as the former Speaker said, with all of his talents and prestige, the results of all of his efforts, employment was nil because the private market cannot absorb that many on today's market.

Senator METZENBAUM. Well, I don't think we are in disagreement.

Mr. WOLFE. I think your program is admirable and will work if you begin to coordinate with the existing programs and in fact if it is a longer timespan than is traditional here.

Six months is unrealistic, not for the funding but for the training.

Senator METZENBAUM. Two years?

Mr. WOLFE. Two years would make it better.

Senator METZENBAUM. That is in our bill; that is what makes our program so much more realistic.

Mr. WOLFE. I agree.

Senator METZENBAUM. You can't make somebody an overnight expert. In putting this bill together, I recognized the need for a lengthier period and that is the reason I have the 2 years in; but I don't indicate to anyone that this bill is a panacea. It won't solve all of the problems.

Mr. WOLFE. It helps.

Senator METZENBAUM. It would make a major impact, and the thing that makes it so desirable is the fact that we are not going to the Federal Treasury and saying, "Give us some new money." It is so unbelievably difficult to find new money for human-needs programs in the Congress. You can find billions of dollars for a new MX or you can find billions of dollars for a new type of military installation. Last year, they were fighting about a 3-percent increase in military spending over and above the inflation factor; then there was an amendment to increase it to 5 percent and that passed overwhelmingly.

The President now is talking about going to 10 percent over the inflation factor for military spending; and there are other Members of the Congress who are saying that's not enough.

Bottom line? Balanced budget? Where? Take it out of jobs for young people; take it out of cancer research; take it out of education funds; and that is the challenge I think this Nation faces at the moment, and, unfortunately, young people who walk the streets don't get as much attention unless they are burning down the city as confrontations as we have in some other countries.

Mr. WOLFE. We only have two other choices; we either pay them for doing nothing, which is one of the options we have and are utilizing today, or we find a more functional use of people for the productivity of this country.

Senator METZENBAUM. I want to say to the panel and I want to say to you, Mr. Wolfe, first, that I am grateful for you to find time to be with us and to all of you. I am also very grateful that the Urban League has provided such a meaningful role in the whole country today.

It is not a new role for the Urban League; it has been a leader in this country and we need your help.

You need our help; we need your help as well; and I am very grateful to all of you and I want to keep my eye on the clock. I see somebody is here from the labor unions who is prepared to testify. This testimony is very significant because so often there has been opposition, resentment and a battle as to whether the jobs go to this union group or whether they recognize the need. The fact that Bill Casstevens, regional director of the UAW, is here today to testify in support of this legislation, and a representative of Sebastian Lupica of the AFL–CIO, is a very, very meaningful factor to me.

Doug, Bill, Mike and Booker, I thank you all very much.

Mr. WOLFE. Thank you for the invitation.

Senator METZENBAUM. Your statements will all be included in the record.

[Brief pause.]

Senator METZENBAUM. Bill, I am happy to have you here with us, always happy to see you; and I will ask you to now speak, if you would care to, and your entire statement will be put into the record; but whatever is convenient for you, we would be happy to have you do at this time.

STATEMENT OF BILL CASSTEVENS, REGIONAL DIRECTOR, REGION 2, UNITED AUTO WORKERS

Mr. CASSTEVENS. Welcome to you, Senator; glad to do so, and Congressperson Oakar, and Congressperson Stokes, back home. Louis has always been a fine looking person but he suddenly got a little better looking.

Before I go into my prepared text, I would like to address a few remarks about the CETA programs, and about a program which we have had going on in this city for long time that most people don't know about, especially the media. However, we do it because we think it is right and I think we have got one of the most successful programs going. We would like to invite you and the two Congresspersons to stop by, if you can, at the YMCA, about 30th and Euclid, where we run classes every day.

We have run some 1,700 people through the classes over the years on a meager budget and we have placed 1,450, I think, in

jobs, and the retention rate for those placed, and they have been mostly inner-city people, and the retention rate for those placed has been about 95.2 percent; so we think we have something to be proud of.

And while CETA moneys may not have been administered in some areas the way it should have been—it brought some criticism upon the program as a whole—there are some good programs working.

Senator METZENBAUM. This is being run by the UAW?

Mr. CASSTEVENS. Kenny Langford, on my left, has run the program for me for a number of years, and we have run it for 9 years, ever since I have been——

Senator METZENBAUM. And you are placing 90 to 95 percent of the people in jobs?

Mr. CASSTEVENS. No; I didn't say that.

I said that we had a retention rate of 95.2 percent of those we have placed.

We had 1,700 and some people there in the program and we placed 1,450 people in meaningful jobs.

Senator METZENBAUM. That is very, very impressive. That is 85 percent.

Mr. CASSTEVENS. So we invite all of you at your convenience to drop by. It would give them some hope to let them know somebody like you cares.

Senator METZENBAUM. We will do that.

Mr. CASSTEVENS. I am Bill Casstevens, regional director of region 2 of United Automobile, Aerospace & Agricultural Implement Workers of America, International Union-UAW.

I am here on behalf of the United Auto Workers, International Union, to express our support for S. 2021, the youth employment bill, and for the concept of youth employment projects that it represents.

For many years now, our youth unemployment rates have been a national disgrace. Year in and year out, teenage unemployment rates overall hover in the high teens, and black teenage unemployment rates are persistently twice as large—ranging between 35 and 40 percent. Rates in urban poverty neighborhoods often include a majority of the youths in those neighborhoods.

We often talk of teaching our young people to believe in the work ethic. But experience in the world teaches far more eloquently than mere words. And high rates of youth unemployment teach at a very impressionable age. They do not teach a belief in the work ethic. Rather, they teach that the work ethic is a sham, something that may have meaning for others born into better circumstances, but a joke on the streets of the inner city. We can never have a healthy society if we teach a large proportion of our young people that they have no place in the world of honest work.

S. 2021 is a useful contribution to the Nation's effort to address these high unemployment rates. It is also useful because it helps to discourage the notion that anything that the Federal Government does to reduce unemployment will necessarily increase the rate of inflation. That notion seems to have the upper hand in Washington today—and it is leading the President to base his upcoming budget on an increase in unemployment to 7.5 percent by the end of 1980

rather than on the need to reduce the high rates of unemployment that already afflict so many segments of our population.

Certainly, the strongest inflationary force in the American economy today is the seemingly ceaseless increases in the price of imported oil and the ease with which the domestic oil companies piggyback on those increases to jack up their own profits.

The best way to fight inflation in the price of oil is to use less of it—to let the OPEC nations and the big oil companies know that they cannot go ahead and sell as many barrels of oil a day at higher prices as they did at lower prices. This bill would help fight inflation by fostering projects to reduce our Nation's dependence on petroleum—weatherization projects, restoration of our unused low-head hydroelectric dams, synthetic fuel development, solar energy projects, and mass transit.

The bill also offers some useful opportunities to address one of the paradoxes of unemployment in America today—that the greatest pools of unemployment are typically located in areas and neighborhoods where there are the greatest number of jobs that need to be done.

The paradox is easy to explain by the fact that the private economy does not develop the demand for the services of unemployed workers to do those jobs. But the paradox can be addressed by bills such as this one that direct Government resources into the process of hiring the workers who need to be hired in order to let them do the jobs that need to be done.

The best example on the list is weatherization. Nothing could be crueler than the way that higher energy prices—for natural gas and home heating oil—have forced low-income and elderly Americans into the hard choice of "heating or eating."

The problem is aggravated by the fact that the homes of low-income families are often among the draftiest and least insulated in our total housing stock. S. 2021 opens up the welcome prospect of a serious effort to train and employ unemployed youth to help weatherize houses in their own neighborhoods or regions.

While we are enthusiastic about the concept of S. 2021, I should note a few concerns about particular ways in which it would implement that concept. We are not convinced that an enterprise of this sort is best conducted by an "independent establishment of the executive branch" headed by a 9-member commission. There will be a tremendous need for coordination of the planning authorized under this bill with the youth employment planning undertaken by the Department of Labor, and there will be a great need for coordination with many other departments of Government, particularly the Departments of Energy and Transportation.

There will be a great need for decisionmaking and implementation on a day-to-day basis that should not await monthly or bimonthly meetings of part-time commissioners.

The many "functions of the commission" outlined in section 7 of the bill would seem to be better carried out by an agency within the Department of Labor, headed perhaps by an Assistant Secretary. If there is a role for a commission, it is probably in the area of "project selection" described in section 11—the setting of standards for the development of projects and the evaluation of the specific proposals that might or might not meet those standards.

This role would be better performed by an advisory commission than by one charged with administering a complex program.

A second problem is that there needs to be some clarification of the standards for young persons participating in the program and how they relate to the process of project selection. Section 9 seems to say that "each participant" in any project assisted by the commission must be an unemployed or underemployed youth from a poverty family. Section 12, however, states only that those agencies seeking financial assistance from the commission shall provide "assurances that a preference will be given for the employment of eligible youth."

The latter approach seems more feasible. In the process of amending the bill, we would hope that the Senate would take care that the employment criteria—as well as the criteria for "eligible projects" in section 10—not be so restrictive as to preclude a number of projects that advance the philosophy of the bill.

It would be tragic if the program were established but could find too few projects that met its exacting standards—while rejecting projects that heavily employed disadvantaged youth but included a mixture of age and income levels, or provided fewer than 250 job opportunities.

These points should be addressed during the process of refining the bill. They do not detract, however, from the need to provide some mechanism such as this for activating our vast resource of unemployed youth to help us meet the energy needs of the future.

Senator METZENBAUM. Thank you very much, Bill, for your earlier statements and also for your constructive criticism. I think some of those suggestions are very good.

It is my understanding that your remarks actually reflect the view of more than the regional director here but that they are out of Washington; is that a correct statement?

Out of Detroit, I meant to say.

Is that correct?

Mr. CASSTEVENS. That is correct. I collaborated with them at the president's office.

Senator METZENBAUM. So that your experience here today is an indication of UAW support for S. 2021?

Mr. CASSTEVENS. Yes.

Senator METZENBAUM. Excellent.

Mr. CASSTEVENS. I might add one thing that you said earlier, Senator, and I totally agree with you, that someone else said our greatest resource is our children and we are reaching a point where we are going to have unemployed youth that have reached the age of 30 without ever having had a job and without having the discipline that work brings to one's life. At a point where it can be a social timebomb, as you said earlier. The frustration totally takes over, and they believe there is no hope ever for a job, and disciplined that way and may live their whole lives that way; and that would be a tragic thing if we in this country don't have the social consciousness to say that we ought to provide all of the jobs we can in the private sector.

But the Government has got to be the employer of last resort when either the private sector will not or cannot do that job.

Senator METZENBAUM. I totally agree with your comments and only wish that some of my fellow Senators could have been here this morning to hear you and Mr. Rosell, but even more particularly to hear these young people talking about their problems of planning a job.

I think that there are a certain group of people in this country, some of them at this time in the U.S. Senate and in the House of Representatives, who think that nobody wants to work; everybody wants to be on unemployment; everybody wants to be on welfare, and that a meaningful job is not a desirable goal for many young people.

I think this is an unbelievable problem in this country and I am so pleased that you have given your support.

I am happy to hear of the work of the UAW, what the UAW is doing in the CETA program; but we aren't making enough of an impact; and I hope here we can make an impact.

Mr. CASSTEVENS. Can I answer that one comment, about people not being willing to work?

Chrysler, a few years ago, in Twinsburg, right here, was going to add 300 or 400 people to their work force, and in the wee hours of the morning, 4,000 people were in line to apply for those 400 jobs.

General Motors Corp. opened a new assembly plant in Oklahoma City where they will ultimately employ about 8,000 people. I think they have about 5,000 or 6,000 right now.

They had 100,000 applications the last time I checked. So the notion that people are not willing to work is a sham. They want meaningful work; they are willing to take it, and all the bull—I would say 99-plus percent of those on any kind of social program want to get off and get in a gainful employment situation, would grab it immediately. [Applause.]

Senator METZENBAUM. Mr. Rosell.

STATEMENT OF JOHN ROSELL, AFL-CIO

Mr. ROSELL. Thank you, Senator.

My name is John Rosell.

Senator METZENBAUM. It is a rather lengthy statement, Mr. Rosell.

Do you think that you can cut it short, please?

Mr. ROSELL. I will try to keep it as short as possible.

Senator METZENBAUM. All right.

Thank you very much.

We are happy that you are here with us; let me make that very clear.

Mr. ROSELL. Thank you very much.

Our president and the executive secretary, Mr. Lupica, are both out of the city at this present time, and they asked me to come down and read this prepared statement for you.

I am the director of community service for the Cleveland AFL-CIO and the administrative assistant to the president and the executive secretary of the Cleveland Federation of Labor. This is their prepared statement, Senator:

We welcome this opportunity to express the view of the Cleveland AFL-CIO Federation of Labor on energy programs and their impact on employment.

Specifically, we congratulate you, Senator Metzenbaum, for your initiative in developing constructive proposals in the field of energy, and we commend your concern for young people and the employment and training needs of America's young people. We see your bill, S. 2021, the proposed Youth Employment Act, as a constructive vehicle for progress toward meeting these needs.

Many assessments of America's energy situation were made after the 1973 embargo awakened Americans to the vulnerability of the American economy to oil import embargoes and rapid price increases.

Those assessments showed that the American economy does not have to be dependent on energy imports. The United States has enormous untapped domestic energy reserves, unused technology, scientific creativity and unemployed workers available to work on programs to eliminate our dependence on imported oil.

We recognize the achievements of the Congress in passing much needed energy legislation since the 1973 embargo, including the creation of the Department of Energy to administer energy programs; requirements for better gas mileage for automobiles; increased funds for research and development for conservation and new energy sources; petroleum stockpiles for emergencies; and tax incentives for homeowners to install solar energy equipment, insulation, and other energy-saving devices.

We are grateful to you, Senator, for your support for these programs, and for your vigorous support for continued price controls on crude oil, home heating oil, gasoline and natural gas. These controls save consumers billions of dollars each year, partially protecting them from the OPEC price increases. Unfortunately, the opponents of price controls have been successful in loosening or removing effective controls on these fuels.

Significant gains have been made toward developing a comprehensive energy policy, and legislation so far has helped prevent U. S. import dependence from worsening over the past 2 or 3 years. Greatly increased efforts are now needed to move toward eliminating our dependence on oil imports.

The AFL-CIO at its November 1979 convention, recommended specific measures to conserve energy and to develop domestic energy resources which are alternatives to oil and natural gas.

To conserve energy, the AFL-CIO recommendations include:

A two-tier gasoline rationing system with each person able to purchase guaranteed amounts at a lower price and a heavy tax placed on additional purchases;

Temperature and lighting standards for commercial, industrial, and residential buildings;

Electric rate structures to eliminate declining block rates and to allow for peakload pricing;

Mandatory efficiency standards for major appliances;

Require that all new and existing buildings conform with efficient energy standards;

Maintain and strengthen automobile mileage standards;

Expand and improve mass transit systems and subsidize fares;

Encourage cogeneration of electricity and conversion of oil-fired boilers to other forms if energy; and

Provide Government loans, loan guarantees and grants to private citizens as well as business for installation of conservation equipment.

To increase the supply of domestic energy sources, the AFL–CIO urges that a substantial commitment be made toward advancing solar, gasohol, and geothermal technology. The AFL–CIO convention recognized that:

> Solar energy, in particular, has a tremendous potential for making a significant contribution to meeting this Nation's energy needs.

Coal and nuclear energy will have to play an important role in reducing dependence on oil imports despite the environmental dangers. Greater reliance on scrubbers and technology to extract more energy efficiency from coal, including cogeneration, can reduce air pollution from coal. Stringent enforcement of health and safety regulations governing nuclear power will enable the U.S. to continue to safely expand the use of nuclear power.

The AFL–CIO supports the creation of the Energy Security Trust Fund proposed by the President to provide funds for the development of synthetic fuels. The AFL–CIO believes that the Energy Security Trust Fund should be expanded into an Energy Independence Authority with the Federal Government making direct loans and loan guarantees for research and development of conservation technologies as well as synthetic fuels. The Energy Independence Authority should also be able to launch projects of its own patterned after the TVA concept.

The AFL–CIO convention also called for the creation of the northern tier pipeline to carry Alaskan oil to the Midwest and for shipment of greater amounts of oil in U.S. flag tankers.

Programs to reduce reliance on imported oil can significantly reduce unemployment. Job opportunities created by energy programs will include not only skilled and experienced craft workers who are now unemployed but also many of those people who have the most difficulty finding jobs—young people, minorities, and inner-city workers.

Most homes and buildings need weatherization, so programs for weatherization will provide employment throughout the country, but especially in central cities where older homes and buildings are especially in need of weatherization.

As with weatherization, the increased use of solar energy provides jobs in every community. Some of the jobs connected with solar energy are unskilled or require skilled and experienced workers who are also suffering high unemployment and whose job situation is expected to worsen this year as the recession gets worse.

Traditional kinds of jobs, skilled and unskilled, will be created by expanding coal production, mining and processing shale oil, pipeline and powerplant construction, and synthetic fuel plants.

Improved public transportation and the construction of mass transportation systems provide another opportunity for energy saving which creates new jobs at the same time. While most urban areas have some mass transportation, there is a tremendous need for improvements in the availability and quality of urban transportation systems.

Mass transit systems are not only more energy-efficient than automobiles but depend on domestically produced coal and nuclear electricity generation for power.

A study sponsored by the Industrial Union Department of the AFL-CIO, Energy for Working America, estimates that a successful energy program could create 1.1 million new jobs by 1990.

It would be tragic if the solutions to the energy crisis were rejected because of mistaken fears that such spending would cause inflation. The only way to deal with the inflation is to address the causes, and energy price increases are a major cause of inflation.

In putting people to work on programs to conserve energy and to increase the supply of alternatives to imported oil is the way to slow the increase in energy prices, and insure that the economy can provide jobs for our growing labor force.

We commend you, Senator Metzenbaum, for your initiative and your concern for out-of-school, disadvantaged, unemployed young people, as reflected in your sponsorship of S. 2021, the proposed Youth Employment Act.

As we understand this bill, it focuses on out-of-school disadvantaged youth, aged 18 to 25, and would provide job opportunities for such youth in large-scale energy projects, including mass transportation, solar energy, weatherization, alternative fuel, and low-lead-hydroelectric dams. These projects would employ at least 250 youths for a minimum of 2 years.

To insure the success of the program, we urge that the legislation include four following requirements:

1. There should be an adequate number of journeymen to learners on each project.
2. There should be enough supervision to insure quality control.
3. Normal labor standards legislation should be enforced.
4. Employers and employees should be bonded to insure they live up to their responsibilities.

We want to assure you, Senator Metzenbaum, of our deep and sympathetic concern for the issues and goals you are raising and pursuing in your bill, S. 2021. Let me assure you that the Cleveland AFL-CIO Federation of Labor will continue to work with you and with the national AFL-CIO in support of effective, workable legislation to achieve these goals.

In closing, Senator, we again express our thanks to you for your efforts in providing solutions to our Nation's energy and unemployment problems, and we look forward to working with you in the future.

Senator METZENBAUM. Thank you very much, Mr. Rosell. We really appreciate the statement of the AFL-CIO. We recognize a kind of reassurance in knowing that the organized labor movement in this country supports this effort to find meaningful jobs for our young people, to do it in the energy area, as previously indicated to be the chief two objectives, in one piece of legislation.

I might say that as to the four points you raised concerning adequate numbers of journeymen to learners on each project, that there should be enough supervision to insure quality control, that normal labor standards legislation should be enforced, and that employers and employees should be bonded to insure they live up to their responsibilities, those provisions are provided for in our

bill at the present time, but we will be very happy to be working very closely with the AFL-CIO as well as the UAW in an effective way to pass this legislation.

I might say to both of you, I think it would be helpful if your views and support were communicated at the national level so that from a national standpoint those thoughts might be conveyed to the White House, where they are in the process of putting together the Youth Unemployment program; I have been in touch with Mr. Eizenstat and others at the White House, but I think that an extra boost from the AFL-CIO and the UAW would be very, very helpful. I would ask you to pass that message back to the Washington representatives.

Mr. ROSELL. Thank you very much.

Senator METZENBAUM. Thank you very much, gentlemen. We are grateful for the opportunity of seeing both of you again.

Our last panel will be Mr. Ralph Smith, Mr. Bill Callahan and Mr. Roger Hamlin.

Mr. Smith, you are the acting director of the National Commission for Employment Policy, established by title V of the CETA program?

Mr. SMITH. That is correct.

Senator METZENBAUM. And you are a Ph. D. in economics and have a distinguished record behind you.

You have a written statement, as I understand it, and we will be very happy to hear from you.

We are trying to move the hearing along, for understandable reasons, because we are running out of time, and I wonder if you might be good enough to summarize your statement and give us your views, and we will put your entire statement into the record.

STATEMENTS OF RALPH SMITH, ACTING DIRECTOR, NATIONAL COMMISSION FOR EMPLOYMENT POLICY; ROGER HAMLIN, VICE PRESIDENT, PRO-ACTION INSTITUTE, EAST LANSING, MICH.; AND BILL CALLAHAN, ENERGY PROGRAM DIRECTOR, OHIO PUBLIC INTEREST CAMPAIGN, A PANEL

Mr. SMITH. I am pleased to have the opportunity to appear before you today to discuss the persistent problems of youth unemployment and to relate to you the findings of an 18-month study by the National Commission for Employment Policy on this important issue.

The Commission was established under title V of the Comprehensive Employment and Training Act, CETA, to examine "broad issues of development, coordination and administration of employment and training programs," and to advise "the President and the Congress on national employment and training issues."

Congress has specifically directed the Commission to:

> Study and make recommendations on how, through policies and actions in the public and private sectors, the nation can attain and maintain full employment, with emphasis on the employment difficulties faced by the segments of the labor force that experience differentially high rates of unemployment.

Youth obviously represent such a segment, and employment problems of youth have been high on the Commission's agenda since it was organized. In 1976, the Commission published the book, From School to Work: Improving the Transition. In that same year,

a substantial portion of the Commission's Second Annual Report, An Employment Strategy for the United States—Next Steps, was devoted to youth employment issues, and many of the provisions of the Youth Employment and Demonstration Projects Act, YEDPA, of 1977, were similar to the recommendations advanced in this report.

YEDPA was designed primarily as a vehicle for expanding existing youth employment and training programs and more importantly for experimenting through research and demonstration with methods to improve our knowledge of how to make the transition to employment more successful for youth in the 1980's.

The Commission felt that it could add an important dimension to this knowledge development effort. It believes that good policy decisions for the 1980's will be contingent upon three factors: Having as good an understanding as possible of the dimensions, causes and consequences of youth labor market problems; identifying the goals, priorities and appropriate options for public policies to reduce these problems; and understanding the lessons from past programs.

Thus, in May of 1978, the Commission initiated a variety of activities designed to elicit this information.

The Commission's Fifth Annual Report, submitted to the President and Congress on December 31, 1979, entitled "Expanding Employment Opportunities for Disadvantaged Youth," represents the culmination of its extensive investigation of these topics. The Commission made 22 recommendations based on its findings. These recommendations are included at the end of my statement. I would like to share with you some of the Commission's findings.

Who are the unemployed youths?

High unemployment among the Nation's youth has become a relatively permanent feature of the labor market. Over the past decade, 1968 to 1978, unemployment rates for persons 16 to 24 years of age have averaged 12 percent, triple the 4-percent average for older workers, aged 25 to 54.

Among youth who are members of minority groups, unemployment rates have been still higher, averaging 22 percent among nonwhites and 17 percent among Hispanics. Data for the latter group covered the last 5 years only.

In addition, the nonwhite unemployment rate has shown a strong upward trend over the decade, with the result that there has been a widening gap between the unemployment rates of nonwhite and white youth.

High unemployment rates of youth are only one perspective on the problem. A more complete picture is obtained by examining employment rates, wages, occupations, and the patterns of progress, lack of progress, which occur as youth age. Nonlabor market activities such as schooling and military service are also important both as an explanation of what youth who are out of the labor market are doing and as additional signs of whether they are on paths that will lead to successful careers.

The years between ages 16 and 24 are often termed the transition period. Schooling is replaced with job search and full-time employment; parents cease to be a primary source of income as households begin to be formed. And within the labor force, young

people move from their first entry-level jobs to more permanent positions which will be held for several years, or possibly a lifetime.

When data on unemployment, employment rates, wages, and occupations are analyzed, we see that for most youth, this transition period is successful. By the age 22 to 24, 85 percent of all young people have graduated from high school and, of these, 20 percent have completed college.

This latter group, of college-educated youth, by having spent added years on education, has formed a solid base for the start of adult life.

For most youth, their early labor market encounters may involve some unemployment and almost certainly very low wages relative to what they will earn later on, but by the end of the period they have made a successful transition to normal adult work roles.

What the research shows, however, is that the odds of making a less-than-successful transition are greatly increased if one is black or Hispanic, a woman, from a disadvantaged family, or has dropped out of high school.

MINORITIES

The labor market problems of today's youth are particularly severe among members of minority groups. At the age 16 to 17, comparable proportions of white and minority youth are either employed, enrolled in school or in the military. However, at ages 18 to 24, minority young people are less likely to be involved in one or more of these activities. In particular, the schooling measures indicate that proportionately more whites than blacks or Hispanics complete high school and enroll in college, with Hispanics being the least likely to graduate from high school.

Once out of school, minority youth have a serious problem finding jobs. The unemployment rate of black males is at least two and a half times larger than that of white males of the same age. The unemployment rate for Hispanic males is also significantly higher than that of white males, but is less than that of their black counterparts.

Among women, too, the unemployment rate for Hispanics is much larger than for whites, but less than that of blacks. For both sexes, differences in the employment-to-population ratios by race or ethnicity tell the same story as the unemployment rates.

Among the noncollege youth who do work, at each age blacks average fewer weeks of employment per year than whites. They also earn lower wages at every level, although the disparity is not very significant among teenage women. And the growth in earnings between the ages of 18 and 19 and 25 and 26 is twice as large for whites as it is for blacks.

It is somewhat encouraging to note, however, that over the past decade, the wage gap between blacks and whites has been much reduced, at least among those at the beginning of their careers. As important, there has been a significant increase in the proportion of blacks who are completing high school as well as attending college.

WOMEN

The problems that women encounter during the transition years begin appearing in the statistics at around age 18. Before that age,

they are just as likely as men to be enrolled in school or employed. Also, women are much more likely than men to be high school graduates by the age of 18 or 19, although men catch up to them in educational attainment at a later age.

Within the labor force, women have somewhat more difficulty finding work than men. Both at ages 18 to 19 as well as at ages 22 to 24, the proportion of unemployed women is greater than that of men within each race, or ethnic group, and among high school graduates and nongraduates alike.

But the greatest problem women experience is the wages they earn. In particular, noncollege women begin their work career receiving hourly wages that are about 75 percent that of men and, over time, this gap grows; when they are 25 to 26, these women are earning only 61 percent as much as men.

Part of the wage differential may reflect women's relative lack of experience. After leaving high school, women work fewer weeks per year than men. Further, the proportion of women who are employed declines over the transition years due mainly to their increasing family responsibilities. But another part of the wage differential is due to the differing occupational distributions of men and women.

Women begin their work careers in a different set of occupations than men and as they age, men experience greater occupational upgrading than women.

YOUTH FROM LOW-INCOME FAMILIES

Data on noncollege youth show that even at age 16 to 17, there are substantial differences in the employment experiences of low-income, and higher income youth. For both men and women, the unemployment rate of the disadvantaged is almost twice that of their more advantaged counterparts and low-income youth are also less likely to be employed in these early years.

As important, these young people begin their work lives earning less than nonpoor youth and they fall further behind as they age. Among men, in particular, coming from an economically disadvantaged family seems to be associated with even greater wage problems than leaving school early.

HIGH SCHOOL DROPOUTS

At every age, and for both sexes, nongraduates have unemployment rates from two to three times those of high school graduates. Also, dropouts are much less likely to be employed than are graduates, although the differences between graduates and dropouts in average weeks worked per year are not as large as the unemployment rate differential.

Among those who work, the wages of graduates and dropouts differ little at age 18 to 19; for example, male dropouts earn 90 percent as much as male graduates. However, the percentage increase in hourly rates of pay is considerably larger for high school graduates than dropouts. By the end of the transition years, there is a substantial wage gap between the two educational groups. It should come as no surprise that youth who belong to more than one of these groups experience particularly serious problems.

Why are these youth especially likely to have problems in the labor market?

The reasons might be divided into three categories: Those associated with a lack of job; those that relate to the characteristics of youth themselves; and those that involve the mechanism by which young job seekers are matched with job vacancies.

It cannot be denied that the supply of jobs is an important factor in the youth employment equation. Youth, and especially minority youth, employment is particularly sensitive to the state of the economy. Minority youth benefit more than their white counterparts when the economy is healthy and suffer more when it is not.

Discrimination, whether conscious or subconscious, is still an important source of labor market problems for minorities generally, and especially for those who are young. Discrimination against women tends to take the form of occupational segregation and low earnings.

The problem, however, cannot simply be blamed on a lack of available job opportunities. Youth are handicapped in the labor market if they lack basic reading, writing, and mathematical skills and a high school diploma; if they are unwilling to accept the kinds of jobs for which they qualify; if they lack initiative or a positive attitude; and if they have little evidence of educational attainment or previous work experience.

Finally, lack of knowledge of the world of work, how to look for work, and how to conduct oneself in a job interview are serious impediments for some youth.

For youth whose families and friends do not participate in good job networks, finding work can be particularly difficult. One indicator of this is the substantially lower fraction of black than of white youth that move directly into a job without any intervening unemployment, a factor that has contributed to the widening gap in their unemployment rates during the past decade.

Do we need to be concerned and what are the consequences of not dealing with the youth employment problem?

It is important to acknowledge that, while youth unemployment is high, there is a substantial drop in the unemployment rates of every race sex as they age. However, for a large number of young people, the problem persists.

Using low family income as a measure of need, we can get an idea of how many youths may be at risk in the 16 to 21 age cohort. Of the 20.4 million persons between the ages of 16 and 21, nearly 20 percent or 3.7 million were in households with incomes at or below 70 percent of the BLS lower living standard.

The probability of being in a low-income household is much higher for a black youth: of the 2.8 million black youth in the 16 to 21 age group, nearly half, or 1.3 million, were in households at or below 70 percent of the BLS standard. These youth are less likely to make the successful transition into stable, productive employment.

There is a need to address this problem early on as there is growing evidence that nonemployment in the initial period after leaving school is an important cause of lower earnings as an adult—even after taking into account individual characteristics that may have contributed to both.

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The adverse psychological consequences appear to include loss of self-confidence and lowered aspirations. A link between poor job prospects and the decision to participate in criminal activities also appears to exist, although the evidence is less well-developed in this case.

Finally, there may be a link between poor labor market prospects and very early childbearing. If this link exists, it becomes all the more important to reduce unemployment, especially among young women, since teenage parenthood quite clearly leads to poverty, welfare dependency, and impaired life chances for these families.

While the absolute number of youth will decline in the 1980's, the number of black and Hispanic youth will increase, as will their proportion of the labor force. These youth have traditionally faced the most severe problems in the labor market. Young women will continue to enter the labor market and, without attention to the problems of occupational segregation and wage differentials, they will continue to have unfavorable employment prospects.

What does this imply for future youth policy?

Two fundamental policy goals are suggested as relevant:

The first is to provide immediate employment; the second is to provide experiences that will improve long term employability. Present employment and training programs for youth largely emphasize the former, while education programs tend to emphasize the latter.

The appropriate balance between the two goals will depend partly on the age and situation of the individual being served, but normally the focus should be on employability for the youngest age group with employment taking on increasing importance with age. In addition, a more gradual transition between education and work might be desirable.

The accompanying chart identifies 11 major policy options which might be used to achieve these goals.

[The following was received for the record:]

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Table 1

POLICY OPTIONS

A. Increasing the Number of Jobs for Youth

1. Stimulate the national economy
2. Create jobs (via wage subsidies or tax credits for public or private employers) targeted on young people, or on certain subgroups of young people, or on areas where these groups live
3. Reduce the minimum wage or create a youth differential in the minimum wage
4. Reduce discrimination against youth, especially minority youth, on the part of employers
5. Reduce competition for existing jobs by curbing the supply of undocumented workers

B. Increasing Employability

1. Increase basic educational competencies (reading, writing, arithmetic) and life coping skills
2. Increase specific occupational skills
3. Improve basic socialization and motivation for both education and work

C. Improving Labor Market Transitions

1. Increase young people's general knowledge of the world of work and of different career options
2. Provide young people with more specific information about job vacancies in their own local labor market
3. Teach young people how to search for and obtain a job

Mr. SMITH. The options for increasing job opportunities include: macroeconomic stimulation, targeted job creation, minimum wage reduction, antidiscrimination activities, and reducing the number of undocumented workers.

While it is clear that macroeconomic stimulation increases job opportunities for youth, and that without it, all other policies simply reshuffle opportunities, by itself it will certainly not eliminate the poor prospects of minorities.

Subsidized job creation and changes in the minimum wage are two additional ways of stimulating demand. Both involve reducing the costs of employing youth, with the former being more costly to the Federal Government, but probably more effective and acceptable.

Vigorous enforcement of laws prohibiting discrimination against minorities and women continues to be needed, but it would be impractical and impossibly counterproductive to extend coverage to all youth.

Finally, although undocumented workers are probably in competition with some youth, it would be difficult to reduce their numbers without curbing civil liberties and jeopardizing our relationships with other countries.

The options for increasing the qualifications of youth and improving their ability to find employment follow directly from the earlier discussion of some of the causes of youth labor market problems.

Improvement of basic educational competencies for those who have not mastered the three R's it critical, and will become all the more important as our economy beomes more technologically sophisticated and paper oriented.

Specific skill training is less important since many skills can be learned on the job but early exposure to vocational training should be considered as a means of motivating the participants to stay in school and to acquire the more basic skills.

Improvement in basic socialization and motivation for both education and work is acknowledged to be important for some youth. However, it is not clear what could be done by the Federal Government that would have a major impact.

The options for improving labor market transitions include:

Increasing young people's general knowledge of the world of work, and of different career options; providing them with more specific information about job vacancies in their own labor markets; and teaching them how to search for and obtain employment. These activities are especially important for youths who have not been exposed to successful adult work patterns and who do not have access to good informal job networks.

Of the goals and options, my view is that those which stress employability development are the most important. Past experience has shown that youth must be ready to take jobs and training in order for either to have any long term employment effect. It has been relatively easy to provide employment for youth, but much more difficult and expensive to improve their employability. It appears that, in general, successful employment and training programs must include quality training, supportive services, and job placement assistance; that the quality and dedication of the staff is

an important variable and that there is a definite link between program duration and outcome.

Let me just make one other point——

Senator METZENBAUM. Would you also in making that point address yourself to your evaluations as to whether this bill moves in the right direction?

Mr. SMITH. Yes; I will do that.

The point that I wanted to make—and it relates to this bill—is that I have heard over the past years, in examining the labor-market problems, I was frequently being met with the response of:

What are you wasting your time for now? For one thing, young people grow up and their unemployment rates go down and so they have some unemployment and some lost earnings. They wouldn't have earned much anyway.

A bill such as yours rejects that approach and I think appropriately so.

Second, and more substantially, I was hearing that—

You are wasting your time, because the problem is going to go away over the next decade, with or without new programs, because the major cause of youth labor market problems today is that they were born in a big post-War baby boom cohort and there are just so many of them; there couldn't have been enough jobs to go around.

There is the same problem that manifested itself in crowding in the schools a few years ago, manifested itself later on in problems as people retire and we have problems in such matters as social security.

In any event, the size of that age group is going to recede and the age group from 18 to 24 will be declining over the next 10 years by 5 or 6 million, and I am impressed that in your bill you address the problems of those youth who are the most severely disadvantaged in the labor market.

For example, all of the decline in the size of the age group 16 to 24 over the next decade will be among white youth. Black youth will not be declining in size. Hispanic youth will not be declining in size.

At the same time, there will be movement of more women into the labor market; then the population will be declining as a result of that, but their labor force participating will continue to grow and their problems therefore also will continue to need to be addressed.

I think that over the next decade, in part because of the decline in the size of the white youth population, this can be a tremendous opportunity to finally integrate, truly integrate disadvantaged female youth into the labor market, and I hope that the Congress and the administration will take that opportunity.

On your bill, I was pleased that in your bill, and in your opening statement, that you specifically are addressing not just the direct employment problems of youth, but that you have in it a component to provide on-the-job training in an area and an industry that is expected to grow.

I do not know, or, fortunately, I don't have to face that problem, whether, if that money would be most effectively spent by combining it more with educational opportunities.

I am concerned with any proposal which is a direct job creation proposal, that there be assurance that the jobs will lead somewhere for those kids.

I am concerned that those at the bottom, I think it was the group "C" that was suggested in earlier testimony, that they would be included in such a proposal, and it may be that those who are worse off need first to get that basic educational competence.

I am sounding—it is not as conservative as that may sound. I just feel that if a kid cannot read, write, and compute, that is going to be a permanent and increasing handicap over his or her work life.

Senator METZENBAUM. Thank you very much, Dr. Smith.

Dr. Hamlin, we will be happy to hear from you.

Mr. HAMLIN. Thank you, Senator, for the opportunity to speak.

I am Roger Hamlin, vice president of the Pro-Action Institute.

I am speaking today in favor of Senate bill 2021, the Youth Employment Act, which proposes to commit $1 billion annually to employ youths in large-scale energy development projects.

The need for such a Government commitment comes at a time when the cost of energy has escalated to record highs, and climbs further every day. In a domino effect of the inflated economy, youth find entering the labor market difficult without proper training.

Senate bill 2021 addresses both problems and establishes three goals. The first is to employ disavantaged, unemployed youths. The second is to provide an opportunity for youths to learn skills in an emerging occupational area on which they may base long-term unsubsidized employment. The third goal is to open up an emerging area to new skills and development, with the ancillary goal of energy conservation.

The first goal of employing youths serves a revitalization function.

In an era of energy and resource shortages, society seeks a resource which is highly renewable. One resource can most nearly be called the boundless resource. Not only is this resource easily accessible, but it is waiting to be tapped. It is the human resource.

Human effort is called boundless because, instead of depleting with consumption, it improves when appropriately utilized and perishes when underutilized

When individuals are properly employed, they apply their mental capacities, gain experience, and learn new skills. Human effort is called perishable because if an individual spends 1 week unemployed, that man-week of work, expertise, and training can never be recaptured.

Despite the nature and existence of the boundless resources, millions of youth remain unemployed, while countless others are employed part time and seek full-time employment. At this time of resource shortages, the physical and mental energies of the boundless resource must be more fully employed.

One multidimensional solution to the Nation's domestic problems therefore is to pursue projects which lower the cost of energy while employing and training unemployed individuals. The Youth Employment Act is one such project which offers a significant, meaningful contribution to the creation of energy independence through

full youth employment. Other programs have taken the incentive to combine youth and energy under title III of the Comprehensive Employment and Training Act.

Proaction Institute has contracted with the Department of Labor to conduct several youth and energy demonstration projects.

In August of 1979, Proaction Institute, the U.S. Department of Labor, and Van Buren Township, Mich., began a demonstration project to reconstruct the French Landing Dam in Van Buren Township. Partial funding was provided under the youth community conservation and improvement project, YCCIP, of title III, CETA. Youth are trained in various construction trades necessary to refurbish the powerhouses, concrete archways, and floodgates of the facility.

In the heavy construction trades, trainees have learned to operate hydraulic backhoes and crawler tract front-end loaders to stockpile stone away from the work area.

Trainees have learned how to operate cement core borers to test the strength of the support arches, and sand blasters, to prepare the sector gate for resurfacing, and to use jackhammers for concrete repair.

Successful participants have exited the program to begin unsubsidized employment as apprentices in elevator construction, pipefitting, electricians, painters, and millwrights.

In the next year, Proaction will expand the hydropower redevelopment program to four more sites nationwide, based on the success of the demonstration project.

The program has, and will continue to be, an exciting plan to place youth in useful trades while stimulating a previously hibernating energy resource.

Other demonstration projects which Proaction Institute anticipates conducting in the future are windpower project, a crop residue reutilization project, and a solar greenhouse project.

The windpower project will involve the employment and training of youth to construct prefabricated units to be used in the erection of wind generation towers.

The towers will then be erected on the site by CETA eligible youth, who will also do the initial testing and monitoring of equipment.

The windpower demonstration project will train youths in such labor intensive skills as carpentry, sheet metal, welding, and iron work. Vocational training will be offered for long-term employment in generation theory and equipment, electrical skills, and motors.

The proposed crop waste utilization project will train CETA eligibles in using agricultural waste for energy production. The project will train youth to collect, transport, process, and market agricultural residue as a substitute for nonrenewable energy sources. Youth would be trained in all aspects of handling of the residues as well as the collection of data.

The project uses such agricultural residue as sunflower stalks and hulls, grain straws, hay and livestock wastes and corn stover in a standardized form and density for use in coal burning plants or home fireplaces.

Participants will learn labor market skills such as heavy equipment operation, tracking, farm equipment operation, biomass proc-

essing equipment, sales and marketing experience, and knowledge of equipment manufacturing. They will also participate in soil sampling and erosion monitoring to determine the best level of extraction.

Our third demonstration project is to use CETA youth to attach solar greenhouses to public buildings. The project will construct solar greenhouses on presently existing schools, nursing homes, and government buildings. The greenhouses provide heating and cooling assistance to the building; a significant source of crop production, and a place of respite for the building occupants. When placed in a school, the greenhouse can serve as a laboratory for training in agricultural trades.

The solar greenhouses are economically, labor-intensive projects providing energy incentives for local communities. In their construction, participants may learn such skills as masonry, carpentry, sheet metal, glass work, concrete, plumbing, and heating/cooling systems.

These four projects demonstrate the potential that lies in the implementation of youth to solve our Nation's energy crisis. Parallels may be drawn between the Youth Employment Act and the New Deal's Civilian Conservation Corps. Both programs draw from economically disadvantaged groups in times of economic hardships to learn new skills applicable to a nationwide crisis. In retrospect, the CCC launched many participants to successful labor market placement. The Youth Employment Act, as presently written, offers the same promise.

Two major inter-related domestic issues are energy and unemployment. One approach to providing a partial solution to both problems is to employ unemployed youth in the production of alternative energy sources.

Because of the labor intensive nature of the projects, such dam rehabilitation, windpower, solar greenhouses, and crop reutilization, they offer an opportunity for a joint purpose project. Clearly, utilizing the boundless resource to increase our energy production is a feasible and important concept.

I would just like to point out three books that I left piles of on the handout table which are for the most part how-to-do-it manuals, which tell community-based organizations, municipalities, CETA prime sponsors, educational institutions, whomever, how to formulate programs which will employ and train unemployed youth, provide them with a comprehensive set of services, including counseling, health care, on-the-job training, classroom training, involving basic skills training, as well as job skill training, and so on.

I met briefly yesterday with some members of the great White House domestic policy staff and the Interagency Coordinating Committee for Rural Energy Initiative Practices program. They have been working on how to get a large number of hydroelectric projects started in the very near future, and I was attempting to emphasize to them that the boundless resource of unemployed youth out there provides an excellent opportunity for getting these projects started and that we have the know-how to put together those kinds of projects.

With respect to the bill, I would just like to make three very brief points:

No. 1, our organization is highly in favor of the bill, virtually all aspects of the bill. We think it is an exciting concept and we commend you on the bill.

Senator METZENBAUM. Thank you.

Mr. HAMLIN. The second point is that I think we have proven that it can be done. This is not a bill which is shooting at concepts in the dust. We have demonstrated in our projects that extremely educationally and economically disadvantaged youth can be trained in a very large number of rapidly growing energy occupational areas.

Senator METZENBAUM. Dr. Hamlin, as to the 250 figure that we used in our bill, is that too high a figure to use per project?

Mr. HAMLIN. It might be.

For example, one very large project that we have is the redevelopment of about a 35-foot-high dam. It will be about a $2.2 million project, and it provides classroom training and on-the-job training. We have half of the youth in the classroom and half of the youth on the job; they switch back and forth. They are doing the carpentry in terms of building scaffolding, doing cement work, doing grading work, building parks, the whole business.

It is a pretty large project; it will run 2½ years. In that project we only have about 80 youth at any one time, and if we follow the bill's compliance, which I think are pretty good guidelines of keeping youths in a program for a significant period of time, that means that the total number of youth that we will serve in that substantial project will probably run no more than 150 or 160.

So particularly when they were looking at something like solar greenhouse construction, et cetera, we may find it difficult to put 250 youth in one project.

Senator METZENBAUM. I appreciate your comments. I think the point has been made.

Mr. HAMLIN. And the other thing with respect to saying that it can be done is that I think we have proven that we have contributed to the Nation's energy pool.

Senator METZENBAUM. How much energy will be produced from the Van Buren project when you get done with that? It is a dam, isn't it?

Mr. HAMLIN. Yes; that is right A couple of megawatts amounts to a couple of hundred thousand dollars a year of either made or saved revenues for that period. Saved—by "saved," I mean if they put that electricity back into their own municipal needs, they will save what we would have otherwise purchased from local utilities.

Senator METZENBAUM. Thank you very much, Dr. Hamlin. Your comments have been extremely helpful.

Incidentally, there are currently 50,000 dams across the country. I understand only about approximately 800 of those are licensed to operate.

Is it reasonable to think that dams could make a significant contribution to our energy needs?

Mr. HAMLIN. I think it is very reasonable.

I think an Army Corps of Engineers estimate of the number of dams which could be licensed in the near future under the new

short-form regulation procedures and could be operating, let's say by the year 2000, could generate the equivalent of 85 nuclear powerplants.

Senator METZENBAUM. Thank you.

Mr. Callahan, we will be happy to hear from you, sir.

Mr. CALLAHAN. Good morning.

I am Bill Callahan, energy program director for the Ohio Public Interest Campaign, which is a coalition of laborer and community and other groups throughout Ohio.

I am going to try to keep my remarks very brief. I have submitted a six-page piece of testimony which I assume will be in the record, so I don't need to repeat it.

Senator METZENBAUM. All of the statements will be included in the record in full.

Mr. CALLAHAN. The Ohio Public Interest Campaign is a nonprofit statewide coalition of labor, religious, and community organizations which works for economic justice in such areas as public finance, energy, unemployment, and economic development.

In the area of employment, OPIC has proposed and supported landmark legislation in the Ohio General Assembly requiring large corporations to assist workers and communities when they close or move their factories; and we have also assisted groups of laid-off employees, for example, at the Aeroquip plant in Youngstown, in efforts to reopen plants that have shut down.

In the area of energy, OPIC is a member of the Citizen/Labor Energy Coalition, and coordinated Rig Oil Day activities throughout Ohio; we have also been part of the effort to save Cleveland's Muny Light, and of consumer coalitions fighting utility rate hikes in the Akron, Youngstown, and Cincinnati areas.

The common thread woven through all of OPIC's activities is commitment to the economic needs of Ohio's working people and their communities.

We are happy to support S. 2021, the Youth Employment Act, as a proposal that would have a favorable impact on both job opportunities and energy costs for working Ohioans.

Jobs and energy are intimately related in Ohio and neighboring States. Currently they are related problems. The States of the Midwest and Northeast import over 80 percent of the energy we consume; and since 1973, we have been forced to pay three to four times as much for it.

Industry is clearly reluctant to risk major investments in areas with unreliable energy supplies and burgeoning costs. At the same time, as energy inflation helps to undermine Ohio jobs and paychecks, our gasoline and utility bills have doubled or tripled over the past 7 years. Thus, our dependence on expensive imported energy, largely controlled by monopoly providers, gets us coming and going.

But jobs and energy also involve related opportunities. Our communities' best hope for escaping the spiral of energy inflation is the development of energy sources that are neither imported, from the Middle East or Sun Belt, nor monopoly-controlled.

More and more Ohioans are recognizing that the familiar list of "alternative energy sources"—massive conservation, solar-related technologies, mass transit expansion and others—are not just nice

ideas. Instead, they are crucial elements of our economic survival over the next 10 to 15 years. And the places where energy conservation and innovation are needed most urgently—our older cities—are also the places where a new employment base is needed most urgently.

Right now, too many of Ohio's energy dollars flow elsewhere: down Consolidated Gas' pipelines to the Southwest; through electric companies in interest payments to out-of-State banks; through the gas pump to the oil majors, the Southwest, Alaska, or the Middle East. The enormous increase in energy cost to Ohio consumers provides little or no compensating benefit for our local economies.

But energy conservation and small technology innovation, on a large and systematic scale, will have the opposite impact: stable or declining consumer costs, with the dollars flowing largely within our local economies.

The Ohio market can and should be served by a diversity of concerns, providing productive jobs for Ohio workers. Older homes in Cleveland and Cincinnati represent an enormous market for weatherization and possibly for some kinds of solar conversion, not just in the remote future, but right now. Cleveland and Cincinnati workers who have the skills to do this work will have jobs, not make-work, but skilled productive jobs serving a growing private and public sector market.

OPIC is now conducting a research and public education program in cooperation with the Citizen/Labor Energy Coalition, on the potential employment impact of energy conservation and solar conversion programs for selected Ohio cities. One of the more interesting near-term possibilities we are looking at is a concerted effort at conservation in State buildings.

Massachusetts Fair Share completed such a study for C/LEC last May. They reported that a retrofitting program to achieve 45 percent energy savings in 3,000 State buildings in Massachusetts, at a cost of $83 million, would yield 2,400 man-years of direct employment and two to three times as many indirect jobs.

Fair Share estimates that energy savings for the first 10 years of such an effort at $80 million, with accelerating savings thereafter, as conventional fuel costs continue to rise.

We are also looking at the potential job-creating impact of coal and solar conversion, home weatherization, et cetera. We are confident that the results of this research will dovetail with findings of the Senate Commerce Committee staff, the Council on Economic Priorities, and other investigators, namely, that investment in energy conservation and innovative energy development can be a prime source, not only of dollar savings and energy savings, but of new productive jobs in Ohio's communities.

One especially interesting study done for the Joint Economic Committee's Energy Subcommittee—Rodberg, Employment Impact of the Solar Transition, 1979, underscores the crucial point about employment in this growing market. I am sure you are familiar with the study, but I would like to quote one short passage for emphasis:

> It is now widely recognized that employment programs must be "targeted" to be effective, that is, they must place funds and jobs in the regions, and among the population groups, suffering the most from unemployment. Jobs in the fuel extrac-

tion industries—coal mining, oil and gas exploration, et cetera, and in powerplant construction tend to be far from the areas suffering the most severe unemployment. On the other hand, energy conservation and solar energy system production and installation will take place largely in settled urban areas where the unemployed reside and where they can easily be trained and hired. Thus, the jobs created in this scenario can make a significant contribution to solve the chronic unemployment problem facing our urban areas.

OPIC is so confident that energy conservation and development looms large in Ohio's economic future and we are about to begin two related programs that I would like to mention briefly.

We are now working with the carpenters union and housing rehabilitation organizations in Cleveland to establish a small nonprofit center for training minority unemployed youth in home rehabilitation skills, with a strong emphasis on energy conservation improvements; this is our first venture into direct job training in cooperation with organized labor.

We are also starting, as part of our fundraising program, an energy audits project to identify homeowners who want to investigate their homes' conservation needs. We will be putting these folks in touch with a private company which will perform the audits and pay OPIC a finder's fee. OPIC is approaching this project, not as a public service experiment, but as a hardheaded fundraising program. We believe there is presently a large market for this kind of service.

In light of all this, we are delighted to see a proposal like S. 2021 put before the Congress. As we understand the bill's major provisions, it would: (a) Help local communities to escape the trap of monopoly energy through conservation, alternative energy development, and mass transit programs; (b) concentrate this help where most needed, in economically depressed communities which stand in need of both cheaper energy and of expanded jobs; and (c) train the poorest residents of these communities to become skilled workers in a market which is both rapidly expanding and short of manpower. We are especially impressed with the seriousness of this training approach, which requires assisted projects to train at least 250 youth for at least 2 years, thus assuring a real impact on community energy needs, a broad involvement of community support including organized labor, and truly trained workers emerging from the process.

Let me note in passing that we would love to see some consideration given to encouraging a similar link between jobs and energy in smaller programs as well, to promote innovative and community-based approaches.

It is a rarity to see any employment or training program which makes as much sense as this proposal. It is an approach that we believe is closely matched to the pressing economic needs of working Ohioans—productive new jobs, and less dependency on imported, monopoly controlled energy. On OPIC's behalf, let me express our strong support for this approach and our hope that the Youth Employment Act will become a reality in the near future.

There were a couple of points I really wanted to touch on this morning, and I feel no need at this point to repeat the need for greater youth employment opportunities because that point has been made with enormous impact by other speakers.

I guess a couple of things I would like to say, one of them is, my background, coming at this problem, is primarily as a community organizer. I worked for the last 3 years in Akron before going to work for Ohio Public Interest Campaign, with a community-based organization, one of whose great concerns has been utility rates and their impact particularly on inner-city, lower income folks.

You may know that the two major utility providers in that city, Ohio Edison and East Ohio Gas, have both in the last year had rate increases amounting to more than 15 percent, and at least with respect to Ohio Edison, that has been a repeated phenomenon.

The average annual inflation rate for Ohio Edison since 1973 has been something above 14 percent, year in and year out, and that imposes a very, very large and growing burden, particularly on folks who have very little choice in the area of how much energy they are going to use.

It is a widely noted fact, for instance, that the poorest people in many communities are those who are most subject to high gas bills because they don't have any choice. They are renting older houses out of which the heat goes by all kinds of means and all kinds of holes in the walls.

So that I guess my deepest reaction to this bill has to do with its potential for actually placing some work in these communities, which is not only meaningful to the people who are doing it, but to the other members of the community within which it is being done.

Frankly, I cannot think of anything that could be more important to the inner-city communities where I have worked than some way out, for the people in those communities, of the spiraling costs of monopoly-controlled energy, and this bill seems to me to address that problem.

So I really want to say, and underline; our enthusiastic support for this approach to this problem.

In general, it seems to us that as an organization that has been very much concerned with the difficulties in terms of industrial employment in this State, that one major problem with energy in this particular is that this State and other Midwestern and Northeastern States tend to import an enormous amount of energy.

Energy is an item for this region which exports dollars. I believe the figures for the overall Midwestern and Northeastern region are something like 80 percent of all of the energy used is imported, either from out of the country or from the Sun Belt. That means that that inflation in energy expenditures is doing nothing, and has virtually no offsetting benefit to jobs in local economies.

That is largely because of the types of energy that we are using. We are using oil; we are using natural gas, the dollars for which, you know, in this area, are going down consolidated gas pipelines.

We are building powerplants with, to a large extent, financing from out of the State banks and the interest payments are going out of our communities. Therefore, our dependence on that energy means that our own financial resources are not being used to employ people in our own communities.

The advantage of this kind of approach, it seems to us, is that it recognizes the future of and helps the coming of an energy economy in Ohio in which a great deal of those expenditures are circulated back into our local economies and employ our own people. It

seems to us that it is vital for the Northeast and for Ohio in particular.

I want to touch on one other point.

The Senator, in his opening remarks, said the possibility of solar retrofitting public buildings is a major project. We are now starting and are hoping to have within a couple of months, a study which is based on or modeled on a study which was done in Massachusetts by the Massachusetts Fair Share organization citizens action group.

The citizen, labor, energy coalition, basically Fair Share, studied the employment impact of not solar retrofitting but simply conservation measures, systemic measures, in three State buildings in Massachusetts. They reported that a retrofitting practice to achieve 45 percent energy savings in three State buildings would cost approximately $83 million, would yield 2400 man-years of direct employment, two to three times as many indirect jobs, and in the first 10 years, would return $80 million in energy savings, which is to say almost net the initial cost.

Senator METZENBAUM. Who made that study?

Mr. CALLAHAN. The Massachusetts Fair Share Organization has made this study in Massachusetts. We are working on a similar study in Ohio right now, and this study was not taking into account the possibility of solar retrofitting or other kinds of technological questions. They are only talking about conservation.

It seems to us that that underlines the importance of this kind of approach for the economic future of the State. So let me just repeat: Ohio Public Interest Campaign is enthusiastic about this approach. We think that it is precisely the type of both jobs and energy legislation that Ohio in particular needs, and we applaud it.

Senator METZENBAUM. We are very happy for the support of the Ohio Public Interest Action Group. You have done commendable work in the State, given good leadership; and we are very happy also to have the support and interest of Dr. Hamlin, Dr. Smith and your organization.

Mr. Callahan, I would make an observation to you in talking about the increased cost of energy that I would recommend to the Ohio Public Interest Group. It is that you give some attention to the fact that when we are talking about the imported cost of energy, the facts are that Consolidated Natural Gas is importing liquefied natural gas from Algeria at an unbelievably high cost; and this Nation could get along very well without that liquefied natural gas.

They also changed the contract in midstream to increase the price. They did so without any need for it because all they are asking is, "Wake me up in the morning and tell me you have got all of the natural gas," and they have changed their tune greatly. I would urge that you inquire into the whole liquefied natural gas issue because it really, in my opinion, is another special kind of negative that the gas companies are perpetrating upon the American people.

It has nothing to do with youth unemployment, but it does give rise to my getting off my frustrations on the subject.

Mr. CALLAHAN. If I may just comment, Senator, when I got the 17 percent rate increase, when it arrived in the mail, it arrived with a little notice saying:

> We have had to raise your rates. None of this money is going to go for profits for East Ohio Gas Co.; it all passed through higher fuel costs.

But what they did not mention is that East Ohio is a wholly-owned subsidiary of Consolidated Natural Gas Co., which is reaping the profits of the rate hike, which is paying mainly for consolidated's deregulated prices.

One might call that deceptive communication.

[The prepared statement of Mr. Callahan follows:]

TESTIMONY BEFORE THE SUBCOMMITTEE

ON EMPLOYMENT, POVERTY, AND MIGRANT LABOR

OF THE

SENATE LABOR AND HUMAN RESOURCES COMMITTEE

ON

YOUTH EMPLOYMENT IN THE FIELD OF ENERGY, S. 2021

FEBRUARY 15, 1980
IN CLEVELAND, OHIO
BY BILL CALLAHAN, ENERGY PROGRAM
DIRECTOR, OHIO PUBLIC INTEREST CAMPAIGN

Good morning. I am Bill Callahan, Energy Program Director for the Ohio Public Interest Campaign (OPIC). OPIC is a non-profit statewide coalition of labor, religious and community organizations which works for economic justice in such areas as public finance, energy, unemployment and economic development. In the area of employment, OPIC has proposed and supported landmark legislation in the Ohio General Assembly requiring large corporations to assist workers and communities when they close or move their factories; and we have also assisted groups of laid-off employees (e.g. at the Aeroquip plant in Youngstown) in efforts to re-open plants that have shut down. In the area of energy, OPIC is a member of the Citizen/Labor Energy Coalition, and coordinated Rig Oil Day activities throughout Ohio; we have also been part of the effort the save Cleveland's Muny Light, and of consumer coalitions fighting utility rate hikes in the Akron-Youngstown and Cincinnati areas.

The common thread woven through all of OPIC's activities is commitment to the economic needs of Ohio's working people and their communities. We are happy to support S. 2021, the Youth Employment Act, as a proposal that would have a favorable impact on both job opportunities and energy costs for working Ohioans.

Jobs and energy are intimately related in Ohio and neighboring states. Currently they are related problems. The states of the Midwest and Northeast import over 80% of the energy we consume; and since 1973 we have been forced to pay 3-4 times as much for it.

Industry is clearly reluctant to risk major investments in areas with unreliable energy supplies and burgeoning costs. At the same time as energy inflation helps to undermine Ohio jobs and paychecks, our gasoline and utility bills have doubled or tripled over the past seven years. Thus our dependence on expensive imported energy, largely controlled by monopoly providers, gets us going and coming.

But jobs and energy also involve related opportunities. Our communities' best hope for escaping the spiral of energy inflation is the development of energy sources that are neither imported (from the Middle East or Sunbelt) nor monopoly-controlled. More and more Ohioans are recognizing that the now-familiar list of "alternative energy sources" -- massive conservation, solar-related technologies, mass transit expansion and others -- are not just nice ideas . . . they are crucial elements of our economic survival over the next ten-fifteen years. And the places where energy conservation and innovation are needed most urgently -- our older cities -- are also the places where a new employment base is needed most urgently.

Right now, too many of Ohio's energy dollars flow elsewhere: down Consolidated Gas's pipelines to the Southwest; through electric companies in interest payments to out-of-state banks; through the gas pump to the oil majors, the Southwest, Alaska, or the Middle East. The enormous increase in energy cost to Ohio

consumers provides little or no compensating benefit for our local economies.

But energy conservation and small-technology innovation, on a large and systematic scale, will have the opposite impact: stable or declining consumer costs, with the dollars flowing largely within our local economies. The Ohio market can and should be served by a diversity of concerns, providing productive jobs for Ohio workers. Older homes in Cleveland or Cincinnati represent an enormous market for weatherization and possibly for some kinds of solar conversion, not just in the remote future but right now. Cleveland and Cincinnati workers who have the skills to do this work will have jobs . . . not makework, but skilled productive jobs serving a growing private-and public-sector market.

OPIC is now conducting a research and public education program in cooperation with the Citizen/Labor Energy Coalition, on the potential employment impact of energy conservation and solar conversion programs for selected Ohio cities. One of the more interesting near-term possibilities we're looking at is a concerted effort at conservation in state buildings. Massachusetts Fair Share completed such a study for C/LEC last May; they reported that a retrofitting program to achieve 45% energy savings in 3,000 state buildings in Massachusetts, at a cost of $83 million, would yield 2,400 man-years of direct employment and 2-3 times as many

indirect jobs. Fair Share estimates the energy savings for the first ten years of such an effort at $80 million -- with accelerating savings thereafter, as conventional fuel costs continue to rise.[1]

We are also looking at the potential job-creating impact of coal and solar conversion, home weatherization, etc. We are confident that the results of this research will dovetail with findings of the Senate Commerce Committee staff[2], the Council on Economic Priorities[3], and other investigators, namely: that investment in energy conservation and innovative energy development can be a prime source, not only of dollar savings and energy savings, but of new productive jobs in Ohio's communities.

One especially interesting study done for the Joint Economic Committee's Energy Subcommittee (Rodberg, Employment Impact of the Solar Transition, 1979) underscores the crucial point about employment in this growing market. I am sure you are familiar with the study, but I would like to quote one short passage for emphasis:

> It is now widely recognized that employment programs must be "targeted" to be effective, that is, they must place funds and jobs in the regions, and among the population groups, suffering the most from unemployment. Jobs in the fuel extraction industries (coal mining, oil and gas exploration, etc.) and in powerplant construction tend to be far from the areas suffering the most severe unemployment. On the other hand, energy conservation and solar energy system production and installation will take place largely in settled urban areas where the unemployed reside and where they can easily be trained and hired. Thus, the jobs created in this scenario can make a significant contribution

to solving the chronic unemployment problem facing our urban areas.

OPIC is so confident that energy conservation and development looms large in Ohio's economic future that we are about to begin two related programs that I would like to mention briefly. We are now working with the Carpenters union and housing rehabilitation organizations in Cleveland to establish a small nonprofit center for training minority unemployed youth in home rehabilitation skill, with a strong emphasis on energy conservation improvements; this is our first venture into direct job training in cooperation with organized labor. We are also starting, as part of our fundraising program, an "energy audits" project to identify homeowners who want to investigate their homes' conservation needs; we will be putting these folks in touch with a private company which will perform the audits and pay OPIC a finders fee. OPIC is approaching this project, not as a public service experiment, but as a hardheaded fundraising program; we believe there is presently a large market for this kind of service.

In light of all this, we are delighted to see a proposal like S. 2021 put before the Congress. As we understand the bill's major provisions, it would:

a) help local communities to escape the trap of monopoly energy through conservation, alternate energy development, and mass transit programs;

b) concentrate this help where most needed, in economically

depressed communities which stand in need of both cheaper energy and of expanded jobs.

c) train the poorest residents of these communities to become skilled workers in a market which is both rapidly expanding and short of manpower. We are especially impressed with the seriousness of this training approach, which requires assisted projects to train at least 250 youth for at least 2 years, thus assuring a real impact on community energy needs, a broad involvement of community support including organized labor, and truly trained workers emerging from the process.

(Let me note in passing that we would love to see some consideration given to encouraging a similar link between jobs and energy in smaller programs as well, to promote innovative and community-based approaches.)

It is rare to see any employment or training program which makes as much sense as this proposal. It is an approach that we believe is closely matched to the pressing economic needs of working Ohioans -- productive new jobs, and less dependency on imported, monopoly-controlled energy. On OPIC's behalf, let me express our strong support for this approach and our hope that the Youth Employment Act will become a reality in the near future.

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[1]Massachusetts Fair Share, Retrodollars, Not Petrodollars: Energy Conservation in Massachusetts State Buildings, May 11, 1979.

[2]Senate Conservation Committee Staff, An Energy Conservation Public Works Program, Washington, DC, December 1976.

[3]Council on Economic Priorities, Jobs and Energy, New York, NY 1979.

Senator METZENBAUM. If one were truthful, one might call it that.

Thank you very much, gentlemen. We appreciate your support, your statements and your being with us this morning.

That concludes the list of scheduled speakers.

It is my understanding that this young man in the blue shirt wanted to be heard and we will be happy to hear from you, sir.

We want you to have the opportunity to be heard; so please come forward if you desire to speak.

STATEMENT OF BERNARD BARRON, WILLING WORK STUDY PROGRAM, WOODLAND AVENUE PROJECT

Mr. BARRON. I am Bernard Barron, B-a-r-r-o-n, and I am with the Willing Work Study program, Woodland Avenue project, and I appreciate what everybody else is doing here.

It is a help to the community and to a small minority, the black people. I am a little nervous up here.

Senator METZENBAUM. Don't be nervous. You are among friends and we will be happy to hear from you. You just take your time.

Mr. BARRON. I just want to express an opinion that I think it is nice what you are doing.

I am just—it's hard to break that inner concentration, known as a mental block.

Senator METZENBAUM. Relax. Take your time. Take your time.

Mr. BARRON. Right. Right. I am trying.

What I wanted to say is, let's put it this way: It is a knock at midnight, it is the time of night. It's just like the day. Everything is so hard and disturbing for a lot of people, searching to see the light. I appreciate what you are doing. You are answering the knock.

You are giving people faith, hope, and love for the future so that they can give other people respect for themselves and not continue to rob.

This is a step, but this stuff will still continue for a long time. Things will change and, you know, as we know, no one can stay in status quo for too long. It's bound to change.

Senator METZENBAUM. How old are you, Bernard?

Mr. BARRON. Nineteen.

Senator METZENBAUM. And where do you live?

Mr. BARRON. East 93d and Nelson, Cleveland; and this is 9616, if you want.

Senator METZENBAUM. 9616?

Mr. BARRON. Nelson Avenue; right.

Senator METZENBAUM. Where did you go to school?

Mr. BARRON. John Adams, before.

Senator METZENBAUM. Did you graduate?

Mr. BARRON. No, not yet. I dropped out in 1977.

Senator METZENBAUM. 1977.

Now, what is the Woodland Avenue project?

Mr. BARRON. It is the CETA program.

Senator METZENBAUM. CETA program?

Mr. BARRON. Right. The counseling is very good. Everyone is nice, but I think it could, with your bill, this is just an opinion, just speaking from the head——

Senator METZENBAUM. Everybody just has an opinion, so yours is as good as anyone else's.

Mr. BARRON. I think with money combined that maybe, you know, it could be more useful with two moneys combined like that. It's just an idea, like that.

Senator METZENBAUM. Well, how did you happen to come down this morning?

Mr. BARRON. Mr. Roth sent me.

First I thought I was going to be a testifier this morning, but apparently he picked two people he already liked so I just decided to stick around and hear it out.

Senator METZENBAUM. Well, we are very happy to have had you testify. I hope you take the message back to Woodland Avenue project.

I want to say to you and to the others in the room that Congressman Stokes, whose record as a Congressperson has been one of the leadership roles, particularly in this area of youth, unemployment, and who is certainly a very major and important factor in the U.S. Congress, just sent me a note indicating that he—he doesn't say this, but I tell you that he is a great Congressperson, but not great enough to be two places at the same time, and he had to be at some schools in east Cleveland this morning. He had hoped to be able to get here, but he had sent Jackie Jenkins, as we know, who is seated to my left, and made it very clear that he supports our efforts in this hearing and in the legislative process.

I feel certain that with Congressperson Oakar and with Congressperson Stokes that we have excellent support in the House of Representatives and that the Congressman's absence from the hearing is not to be interpreted as a lack of interest but, in reality, of the fact that he could not be two places at the same time.

Bernard, we are very grateful to you for having come, sat throughout the hearing, and for your remarks. Also, we are grateful to the rest of you who participated with us today.

I see my old friend, Morey Berger out there, whom I have known since I was a young child, a lifelong friend.

Happy to have you with us.

And Ed Steadman is here also, a former able staff member of ours, who is now part of the business community.

The record should reflect the fact that Rev. Robert Saffold, ex-coordinator for the Cleveland Committee for Youth Jobs, and Zulma Blasina-Perk, with the Cayuhoga County Youth Services Coordinating Council, were also in attendance and supporting the legislative proposal.

We are pleased that you are all here. We feel that this hearing has been very meaningful to us in our deliberations and will help the U.S. Senate Labor and Human Resources Committee as it deals with this subject.

Luther, you have done an excellent job in putting the hearing together and everyone has been quite helpful. Thanks, all of you.

At this point I order printed all statements of those who could not attend and other pertinent material submitted for the record.

[The material referred to follows:]

Institute for Economic Development

Statement of
The Institute for Economic Development
on
The "Youth Employment Act" (S.2021)
for the
Senate Labor and Human Resources
Subcommittee on
Employment, Poverty and Migratory Labor
February 15, 1980

1825 "K" Street, N.W. • Washington, D.C. 20006 • 202/466-7890

The Institute for Economic Development, a non-profit, tax-exempt corporation, conducts a wide range of social and economic activities geared toward the creation of permanent economic opportunities for disadvantaged residents of rural and urban communities. As a national support center funded by the Office of Economic Development of the Community Services Administration, the Institute provides assistance in community revitalization, housing and economic dvelopment, and enterprise development to community development corporations.

Also, the Institute is involved in planning and implementing various interagency efforts. The Institute actively assists in the creation and development of partnerships and relationships involving appropriate federal agencies to link relevant resources and target them toward the provision of permanent employment opportunities and new business enterprises that benefit disadvantaged individuals.

The "Youth Employment Act" is similar in concept to the "Cooperative Energy Conservation Demonstration" which is intended to develop model programs combining the employment and training resources of the Department of Labor and the energy conservation activities of the Community Services Administration and the Department of Energy. Under a contract with the Department of Labor, the Institute is involved in the planning, development and organization of this national demonstration project. Therefore, the legislation was reviewed with great interest.

Senator Metzenbaum is to be commended for introducing such a practical legislative proposal. The proportion of youth unemployment is dangerously high, and the crisis related to our energy comsumption is grave. The "Youth Employment Act" addresses both of these problems and yields a double benefit--youth employment coupled with energy conservation and development.

We applaud the concept of linking energy development and conservation with youth employment. However, there are a few constructive comments which we offer for your consideration.

First. Community development corporations and other community-based, non-profit organizations or partnerships including such organizations should receive exclusive consideration for carrying out eligible projects. If we are to succeed in our efforts to combat youth unemployment and the energy crisis, initiatives addressing these concerns must have the involvement, confidence and support of the beneficiary communities. These communities must be full-fledged partners. The guaranteed participation of community-based organizations would facilitate the development of this crucial partnership.

Second. A minimum of 25 percent of the jobs to be created by selected projects should be set aside for long-term, unemployed youth. Such a requirement should be added to the project eligibility criteria under subsection 10(a)(1) and project selection standards under subsection 11(b). Subsection 9(c) requires that a youth must be unemployed for at least seven (7) consecutive days in order to be considered unemployed. Given the extremely high level of unemployment among disadvantaged youth, we must target those youth who have been structurally unemployed for much longer periods of time. A set aside would be consistent with the employment initiatives generated by the President's Interagency Coordinating Council.

Third. Upward mobility and other similar provisions should be added as incentives for continued youth participation. High turnover rates continue to undermine the success of youth employment programs. The minimum wage provisions proposed under section 14, "Special Conditions", do not provide sufficient incentives to deter such turnovers. In addition, the levels of risk and required skills associated with various energy development and conservation related jobs vary greatly, and the corresponding compensation should vary accordingly. To address these concerns, wage differentials and career ladders which adequately reflect the skills and risks of particular job functions should be provided under section 14.

Fourth. The President should be required to appoint representatives of business, labor, community-based organizations, units of general government and the general public to the Youth Employment Commission. Subsection 6(b) requires the President to consider such representatives for appointment. The success of the "Youth Employment Act" will be dependent upon the cooperation of all of the aforementioned groups; therefore, the appointment of individuals representing those interests should be mandatory.

Fifth. Eligible participants under section 9 should be youth who reside in an "area of substantial unemployment" and should continue to reside in such an area to maintain eligibility. Paragraph 10(a)(C) requires eligible projects to be located in an area of substantial unemployment. This suggested residency requirement would insure that the jobs would go to youth who are included in the determinant unemployment statistics.

Sixth. Resource recovery, such as recycling, should be added to the partial list of eligible energy conservation and development projects under paragraph 10(a)(1)(A). Resource recovery is an important energy conservation activity which should be encouraged.

Seventh. It appears that all references to "section 4(b)" should be changed to "section 4(c)" which provides for a reservation of funds from amounts appropriated to particular Federal executive agencies for specific energy related project supplies. In addition, the language in subsection 4(c) is confusing; it should be redrafted to add clarity.

In conclusion, the Institute for Economic Development strongly supports the concept embodied in the "Youth Employment Act". We believe the adoption of our suggested changes will strengthen the effectiveness of this vital legislative proposal.

Thank you for your consideration.

POLICY STATEMENT
OF THE
NATIONAL COMMISSION FOR EMPLOYMENT POLICY
ON
THE ROLE OF EMPLOYMENT AND TRAINING POLICIES
IN THE EARLY 1980s

May 1980

NATIONAL COMMISSION FOR EMPLOYMENT POLICY

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Patsy L. Fryman
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Carol S. Gibson
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George L. Jenkins
Attorney-at-Law

Sam Lena
Vice Chairman, Pima, Arizona County Board of Supervisors

Ruth B. Love
Superintendent, Oakland, California Unified School District

Austin P. Sullivan, Jr.
Vice President, General Mills, and Chairman of the
Minnesota Governor's Council on Employment and Training

Julius B. Thrower
Admissions Director, S.D. Bishop State Junior College
and Vice Chairman of the American Association of
Minority Veterans Program Administrators

THE ROLE OF EMPLOYMENT AND TRAINING POLICIES IN THE EARLY 1980s

The National Commission for Employment Policy was established to advise the President and the Congress on the nation's employment and training needs, policies, and goals. With unemployment now at seven percent, persistently high inflation and a recession at hand, the Commission believes that employment and training strategies must be utilized to help alleviate the immediate burden of the recession and to contribute to a more stable economy over time. Nothing can more effectively defeat whatever employment gains minority citizens, women and young people have made during recent years than a prolonged recession and the inevitably higher unemployment that would accompany it.

Inflation and unemployment must be fought concurrently. To this end there is no substitute for effective monetary and fiscal policies. Still, employment policy, targeted properly and applied effectively, can help reduce the burden of a recession by providing temporary income support and employment and training opportunities. For the longer term, employment policy can make a significant contribution in assisting the structurally unemployed to obtain regular jobs; in restraining inflation; and in helping to move the economy toward full employment, the early achievement of which must remain a high priority national goal.

During the past two decades a number of programs and strategies have been designed to deal with recessions, as well as with long-term structural unemployment. The recommendations below are based on the Commission's review of this experience, and its preliminary assessment of the factors now contributing to rising unemployment. The Commission's objective is to recommend what it believes to be the most productive, non-inflationary programs, as well as appropriate monetary and budgetary decisions, to deal with present economic conditions and to offer guidance for the longer term. If the response to each crisis is not to be hastily designed, ill-timed, and ineffective, it is essential to understand which employment and training strategies work best in different situations, as well as how and when they should be used.

The Commission will continue to monitor the employment and unemployment consequences of the recession, and if the situation warrants, will make additional proposals. However, the Commission urges the early adoption of the following recommendations to help alleviate the immediate burden of the recession and to move toward a more balanced economy:

1. Monetary and fiscal policies should be established immediately that are consistent with steady, non-inflationary employment growth.

The strong federal responses to the financial crisis earlier this year should be replaced by a monetary and fiscal policy posture that aims to restrain the growth of unemployment and that will lead to a reduction in the overall unemployment rate as soon as possible, consistent with the accomplishment of other priority economic goals. Failure to do so will only exacerbate a national economic decline that already threatens to rival the recession of 1974-75 in length and severity.

2. Unemployment insurance, a major safety net for unemployed workers, should not be relied upon beyond 39 weeks. Monetary and fiscal measures must be pursued to prevent a prolonged recession. In addition, Congress and the Administration should immediately begin exploring the feasibility of permitting unemployment insurance benefits to be paid to workers who are being trained for scarce skills or who agree to a reduced work schedule in lieu of being laid off. The decision to participate in such an arrangement should be made jointly by the employer and the employee or his/her bargaining agent. For workers who have little prospect of being recalled, retraining or assistance in the search for work in new fields should be made available. For those still in need of assistance after 39 weeks, training and public employment opportunities would be preferable to the general extension of unemployment benefits.

3. Trade Adjustment Assistance benefits are growing rapidly. Their growth, along with the enactment of similar dislocation programs, highlights a particular type of employment problem which is exacerbated by a recession, as recent unemployment figures dramatically indicate. Legislation is now before Congress to extend these dislocation programs even further. It is clear that the performance of the economy is dependent in no small part on the ability of the United States to compete successfully against other advanced industrial economies where close cooperation exists among government, employers, and trade unions, especially with regard to the expansion of foreign trade. In addition, key American industries,

employing millions of workers, face major problems of restructuring to assure their long-term competitiveness.

As part of a long-term strategy the Commission recommends a thorough review of adjustment assistance and related programs. Such a review should examine the goals of adjustment assistance and the obstacles to achieving these goals and should provide for a clear articulation of the relationship between "special" employment protection programs and unemployment insurance. Adjustment assistance, like unemployment insurance, should not become a substitute for the implementation of more effective reemployment policies.

The adjustment assistance mechanism is neither broad enough nor deep enough to respond effectively to the restructuring problems that face parts of our major industries, such as the automobile and steel industries. Far more comprehensive policies and programs, requiring the cooperation of business, trade unions, and government, will be necessary to revitalize those weakened sectors which have the potential for recovery and to exploit fully the opportunities for economic growth at home and abroad.

4. Youth education and training programs aimed at improving the employability development and employment opportunities of disadvantaged youth should be expanded. Youth, especially minority youth, suffer disproportionate rates of unemployment at all times and during recession their employment losses tend to be greater than those incurred by older workers. Pending youth education and employment legislation should be enacted and initial funding authorized without delay for implementation of these youth programs.

5. Public Service Employment (PSE) is most effective when targeted on the structurally unemployed, those with the least attachment to the labor force, and those who have been unemployed the longest. PSE should not be viewed as a major countercyclical device but, when properly targeted on individuals and areas, should be expanded when recession deepens. There are limitations to the

additional numbers of workers state and local governments and non-profit organizations can quickly absorb, and careful planning is essential for the build up or phase down of the program. The purpose of PSE should not be to provide financial assistance to state and local governments to retain regular public employees; such an objective might better be accomplished through antirecessionary revenue sharing directed toward this purpose.

6. Public works are useful tools as part of a long-term strategy to increase employment in economically-depressed areas and, if in place, can be expanded in times of recession to provide additional employment opportunities. In general, they have not, in the past, been effective antirecessionary measures due to long start-up times.

7. National priority programs, such as energy conservation, transportation, community health care and other human services, operated directly through government entities or contracted through non-profit or for-profit organizations, offer opportunities to attack structural unemployment and inflationary pressures. In funding such programs the government should require the employment of a percentage of disadvantaged youth and adults. If the recession deepens, these programs should be expanded when they can be implemented on a timely basis.

8. Private sector involvement in employment and training programs, despite previous adverse experience, can be sustained during periods of recession. Two relatively new approaches for promoting such involvement, the Targeted Jobs Tax Credit (TJTC) and the Private Sector Initiatives Program, should be vigorously pursued. Marketing efforts on TJTC should be intensified, and the Private Industry Councils should be urged to identify skills in short supply, to seek to improve the content of training programs, and to expand private sector involvement into the entire public employment and training system.

9. Training, retraining, pre-apprenticeship training, and upgrading are valuable activities even in a recession, if tied to local labor market needs and real job opportunities. Training can be conducted at less

social cost in a period when labor markets are slack and should be an important part of both an antirecessionary and a long-term strategy. Now is a good time to begin to identify skills that are likely to be in short supply after the recession and to equip jobless workers with these skills.

10. Effective planning and delivery systems are crucial to the short- and long-term success of employment policies. This requires core program stability, adequate lead-time for program implementation, and flexibility to respond to local economic conditions. There can be no greater obstacle to either an antirecessionary or a long-term policy than constantly changing signals and hastily implemented or suddenly discontinued programs. Efforts should be continued to strengthen linkages between economic development, social services, income maintenance, education and employment programs. Prime sponsors and related service agencies should be encouraged to begin immediate development of local strategies to deal with the recession and be allowed the necessary flexibility to implement their local strategies, consistent with national goals.

Senator METZENBAUM. Thank you. The hearing is now adjourned.
[Whereupon, at 12:20 p.m., the subcommittee adjourned.]